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Phalguna 19, 1887(Saka)

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LOK SABHA SECRETARIAT

NEW DELHI

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*The sign + marked above the name of a member indicates that the question was actually asked on the floor of the House by him.

LOK SABHA

Thursday, March 10, 1966/Phalguna 19, 1887 (Saka)

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

एडवांस इंश्योरेंस कम्पनी लिमिटेड, बम्बई

*445. **श्री मधु लिमये:** क्या वित्त मंत्री 10 दिसम्बर, 1965 के अल्प सूचना प्रश्न संख्या 12 के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) क्या एडवांस इंश्योरेंस कम्पनी लिमिटेड, बम्बई के एक निदेशक के विरुद्ध उस के लाइसेंस तथा करापवंचन से सम्बन्धित मामले के बारे में की जा रही जांच इस बीच पूरी हो चुकी है; और

(ख) यदि हां, तो उस का क्या मुख्य निष्कर्ष निकला है ?

वित्त मंत्रालय में राज्य-मंत्री (श्री ब० रा० भगत) : (क) बीमा अधिनियम के अन्तर्गत बीमे का व्यवसाय करने के लिये कम्पनियों का पंजीकरण किया जाता है, न कि व्यक्तियों का । इसलिए, निदेशक के लाइसेंस की जांच का प्रश्न नहीं उठता । एडवांस इंश्योरेंस कम्पनी के मामलों की कोई कानूनी जांच नहीं हुई है । निदेशक के मामले में कर की चोरी सम्बन्धी जांच अभी चल रही है ।

(ख) प्रश्न ही नहीं उठता ।

श्री मधु लिमये : मैं यह जानना चाहता हूं कि क्या यह जो इंश्योरेंस का काम करने वाले थे, बिरला ब्रादर्स, गोयनका उन का संबन्ध वित्त मंत्रालय के बड़े अधिकारियों से है और इसी कारण अब तक करों की चोरी यह बराबर करते रहे ? अगर यह सही नहीं है, तो मैं यह जानना चाहूंगा कि श्री गोयनका साहब और उन का जिन कम्पनियों के साथ सम्बन्ध था उन कम्पनियों ने पिछले पांच वर्षों में कितना आमदनी का कर दिया है ?

श्री ब० रा० भगत : जहां तक सवाल के प्रथम भाग का प्रश्न है, अगर उन का अधिकारियों से नाजायज सम्बन्ध होता तो ये जो उन के कागजात आदि पकड़े गए हैं और जो उन की जांच पड़ताल हो रही है, वह न होती । वह चल रही है । इसलिए माननीय सदस्य ने जो आरोप लगाया वह गलत है ।

अध्यक्ष महोदय : उन का कोई सम्बन्ध है?

श्री ब० रा० भगत : मैं नहीं कह सकता ।

श्री मधु लिमये : पिछले पांच वर्षों में इन्होंने कितना टैक्स दिया है ?

श्री ब० रा० भगत : जहां तक टैक्स का सवाल है, इस की सूचना मुझे अलग से मिले तो इस का जवाब दे सकता हूं।

श्री मधु लिमये : आप प्रश्न देखिए कि इतने पैसे का हिसाब बताया नहीं मिलता । मैंने दिसम्बर में इस बारे में एक अल्प सूचना प्रश्न दिया था. . . .

अध्यक्ष महोदय : मैं इस का जवाब ले दूंगा कि कितना टैक्स दिया, आप दूसरा सवाल कीजिए ।

श्री मधु लिमये : श्री गोयनका साहब को पहले लाइसेंस मिला था और उस कम्पनी का नाम है यूनाइटेड जनरल इश्योरेंस कम्पनी, उस में वह काम करते थे । लेकिन चोरी के

कारण उन का लाइसेंस छीन लिया गया। फिर इस आदमी ने क्या किया ? अपने दामाद को खड़ा कर के एडवांस इंश्योरेंस कम्पनी पर बिठा दिया और अब स्वयं पीछे रह कर सारा काम चला रहे है। तो उनके इस जवाब से, कि व्यक्तियों का पंजीकरण नहीं होता है कम्पनियों का होता है, संतोष नहीं होता है। मैं यह जानना चाहता हूं कि क्या यह बात सही है कि यूनाइटेड जनरल इंश्योरेंस कम्पनी, जिस के साथ गोयनका जी का सम्बन्ध है, क्या उस कम्पनी का या गोयनका जी का लाइसेंस छीन लिया गया था ? यदि छीन लिया गया था, तो वह बेनामी, किसी को बिठा कर पीछे से काम करते हैं उस के बारे में कार्यवाही करना भी सरकार का फर्ज हो जाता है।

श्री ब० रा० भगत : जसा मैं ने कहा, लाइसेंस कम्पनी को मिला है। उन्होंने कहा कि क्या गोयनका जी का लाइसेंस छीन लिया गया....

श्री मधु लिमये : मैं ने कहा गोयनका का या यूनाइटेड जनरल इंश्योरेंस कम्पनी का।

श्री ब० रा० भगत : गोयनका के लाइसेंस का सवाल नहीं है। यह बात सही है कि यूनाइटेड जनरल इंश्योरेंस कम्पनी का लाइसस फिर रिन्यू नहीं किया गया, उस को निकाल दिया गया। उस साल के बाद वह नई एडवांस इंश्योरेंस कम्पनी के डाइरेक्टर बने। अभी जो कम्पनी एक्ट या इंश्योरेंस ऐक्ट है उस में कोई ऐसी बात नहीं है कि कोई आगे किसी कम्पनी में डाइरेक्टर या अधिकारी न हो। जब तक कि उस पर मारल टरपीट्यूड का या कोई क्रिमिनल अभियोग न हो या उस को 6 साल की सजा किसी चीज में न हो गयी हो तब तक उस के लिए ऐसा करने की कोई मुमानियत नहीं है। उन के खिलाफ कोई मारल टरपीट्यूड का अभियोग नहीं लगाया गया था। इसलिए बाद में जब वह डाइरेक्टर बने तो उस पर आपत्ति नहीं हो सकती थी। कानून में यह भी नहीं है कि उन का कोई लड़का या दामाद मैनेजिंग डाइरेक्टर न बने। कम्पनी ला के हिसाब से इस की जांच हुई और उस में कोई गलती नहीं पायी गयी।

श्री हुकम चन्द कछवाय : मैं जानना चाहता हूं कि क्या सरकार चिरंजी लाल और एडवांस इंश्योरेंस कम्पनी में अन्तर करेगी। चिरंजीत लाल पर केस चला और उन के यहां से पैसा मिला जिस का सम्बन्ध कम्पनी से बिल्कुल नहीं है, इस के बावजूद टिम्बर ट्रेडिंग कम्पनी ने 17 लाख का दावा एडवांस इंश्योरेंस कम्पनी पर किया क्या इस बात को ध्यान में रख कर सरकार कोई अन्तर करेगी और स्वीकार करेगी कि चिरंजी लाल का कम्पनी से कोई सम्बन्ध नहीं है ?

श्री ब० रा० भगत : पता नहीं कि माननीय सदस्य का उद्देश्य क्या है इस सवाल से।

श्री हुकम चन्द कछवाय : मैं इस का खुलासा कर दूं। चिरंजी लाल कम्पनी के एक डाइरेक्टर हैं। उन के घर की तलाशी ली गयी तो उन के यहां ब्लैक का बहुत सा पैसा मिला, 6 लाख का सोना मिला। 15 लाख रुपया नकद मिला और उन पर 15 लाख का टैक्स बकाया है। इस बात को ध्यान में रखते हुए कि कम्पनी का कोई बकाया नहीं है, अगर उन पर कोई केस हो तो वह कम्पनी पर न लादा जाए। क्या इस बारे में सरकार कोई अन्तर करेगी ?

श्री ब० रा० भगत : अगर उन पर टैक्स लगाया गया है और कानून के अन्दर लगाया गया है तो उस को कम्पनी पर ट्रांसफर करने का सवाल पैदा नहीं होता। और कौन कम्पनी है, उस के बारे में क्या तफसील है यह मालूम हो तो कुछ कहा जा सकता है।

Shri Warior: May I know who the head of this Advance Insurance Co. is, whether he has any relationship with the other Goenka, whose insurance company, the United General Insurance Co., had been prosecuted for malpractices?

Shri B. R Bhagat: I am not aware who the Chairman is. Chiranjit Lal is a Director.

श्री मधु लिमये : मैं आप को जानकारी दूं । चेयरमैन उन के दामाद हैं ।

श्री ब० रा० भगत : उन का दामाद मैनेजिंग डाइरेक्टर है । वह इस के हैड है या नहीं मैं नहीं जानता ।

श्री शिव नारायण : मैं जानना चाहता हूं कि जब एडवांस इंश्योरेंस कम्पनी के मुताल्लिक इतनी शिकायत है और जब गवर्नमेंट ने इंश्योरेंस कम्पनियों को नेशनेलाइज कर के अपने हाथ में ले लिया है, तो इस कम्पनी को, जहां इतनी गड़बड़ी है, क्यों गवर्नमेंट अपने हाथ में नहीं ले लेती ?

श्री ब० रा० भगत : एडवांस कम्पनी की कोई शिकायत नहीं है ।

Shri P. Venkatasubbaiah: May I know whether this Advance Insurance Co., has been prosecuted, and whether there are any complaints against this company as such?

Shri B. R. Bhagat: There are no complaints against this company as such.

Shri Indrajit Gupta: Is the Minister aware of the fact that this Chiranjit Lal Goenka is one of the persons involved in the recent investigations in Bombay in connection with the international smuggling activity of Daniel Walcott and his gang?

Shri B. R. Bhagat: I am not aware of this.

Shri Hem Barua: This is a fact, and he cannot deny it.

श्री मधु लिमये : उन के पांच साल के आयकर के आंकड़े देखेंगे तब पता चलेगा ।

अध्यक्ष महोदय : आर्डर, आर्डर ।

Shri Hem Barua: Is it a fact that Mr. Goenka has close links with the Chairman of the Direct Taxes body and that is why he has managed to keep himself free from the net of the income-tax department so long?

Mr. Speaker: I am surprised that even Shri Hem Barua has to read his supplementary!

Shri B. R. Bhagat: I repudiate this insinuation.

Shri Hem Barua: What is the insinuation? It is a factual thing.

Mr. Speaker: He repudiates it; he says it is not correct.

Shri Surendranath Dwivedy: What is there to repudiate? He may say whether it is a fact or not. There is no insenuation.

Shri B. R. Bhagat: I do not know how he has got the facts. There is no truth in this. (*Interruption*).

Mr. Speaker: Order, order.

Shri B. R. Bhagat: There is no truth in this—that he has any relation with anyone in the Direct Taxes Board.

Shri Hem Barua: I did not say relation; I said close links with the Chairman of the Direct Taxes body.

Shri B. R. Bhagat: He has to define what it is.

Mr. Speaker: Next question

Asian Development Bank

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*446. **Shri Bhagwat Jha Azad:**
Shri M. L. Dwivedi:
Shri S. C. Samanta:
Shri Subodh Hansda:
Shrimati Savitri Nigam:
Shri P. C. Borooah:
Dr. L. M. Singhvi:
Shri Madhu Limaye:

Shri Kishen Pattnayak:
Dr. Ram Manohar Lohia:
Shri Shree Narayan Das:
Shri Vishwa Nath Pandey:
Shri R. Barua:
Shri R. S. Pandey:
Shri V. B. Gandhi:
Shri D. C. Sharma:

Will the Minister of **Finance** be pleased to state:

(a) whether the full proposed share capital of one billion dollar for the Asian Development Bank has been raised;

(b) whether the Soviet Union has signified her willingness to contribute to the share capital of the Bank; and

(c) the progress made in the establishment of the Asian Development Bank up-to-date?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) The share capital of $ one billion be raised only when all the countries that have signed the draft articles of Agreement at Manila on 4th December 1965 ratify the agreement on or before 30th September, 1966. It is expected that, by that time, the entire capital as proposed will be raised.

(b) No, Sir.

(c) At a Plenipotentiaries Conference (attended by 27 countries) held at Manila in December, 1965, the draft Articles of Agreement were unanimously approved and were signed by 22 countries out of those present. The Articles were open till 31st January, 1966 for signature; we await a report from ECAFE as to how many more countries have since signed. The next stage is for ratification by the signatories which has to be completed by September 30, 1966. Meanwhile a Project Director has been named under ECAFE auspices to help expedite preliminary action to set up the Bank as soon as the ratification is completed.

Shri Bhagwat Jha Azad: May I know whether, at any time in the last conference it was considered that the Soviet Union is an Asiatic power and its membership, if desired by it, will be included in the Asian Development Bank?

Shri Sachindra Chaudhuri: USSR?

Shri Bhagwat Jha Azad: Your reply to part (b) of the question was "No, Sir." I want to know whether in the last conference, or at any time, the Soviet Union has said that since it is an Asiatic power its membership in the Asian Development Bank also should be considered?

Shri Sachindra Chaudhuri: As for as I am aware, no. But I am not absolutely sure; I can enquire. As far as is known, the answer is no.

Shri Bhagwat Jha Azad: May I know whether by now how many countries of Asia have subscribed to the capital and have agreed to it as decided in the last conference, and by now what is the capital raised by the Asian Development Bank?

Shri Sachindra Chaudhuri: As I said, 22 countries have signed already, and the signature is not complete until ratification is made. I do not know what other countries, beyond these 22, have signed. We are still awaiting the report from ECAFE to say how many have signed. The time for signature was kept open till the 31st January, and ECAFE will have to collect the information and send it on to us.

Shri Bhagwat Jha Azad: By now, may I know whether any capital has been raised and, if so, how much?

श्री म० ला० द्विवेदी : इस ऐशियन बैंक में भारत के डेवलपमेंट में यानी फिनांस में और उस की रंजी में भारत सरकार का क्या योगदान होगा और उस के सम्बन्ध में क्या किया जा रहा है, क्या प्रस्तावित है ?

Shri Sachindra Chaudhuri: The Government of India will subscribe to the capital of this Bank and the Bank will assess the economic development of this country as and when it is necessary to do so.

Mr. Speaker: How much shall we subscribe? That is the question.

Shri Sachindra Chaudhuri: The Government of India will subscribe 93 million dollars.

Shri S. C. Samanta: May I know whether the facilities that are available at present from the World Bank will in anyway be disturbed when this Asian Development Bank will come in?

Shri Sachindra Chaudhuri: No, Sir.

Shri Subodh Hansda: May I know whether any basis has been fixed for raising this capital?

Shri Sachindra Chaudhuri: No, Sir. The different countries have agreed to pay a certain amount by way of capital. The basis is the agreement of the parties.

Shrimati Savitri Nigam: Keeping in view the very slow progress in getting the co-operation of various countries, because only two countries have so far signed, may I know what particular steps the Government of India is intending to take to see that this very useful scheme is implemented and most of the countries sign it as soon as possible?

Shri Sachindra Chaudhuri: All the signatories are independent sovereign countries. The only influence the Government of India can bring to bear on them is through international organisations like ECAFE. Also, I do not accept that the progress is very slow. After all, the time given for signing it was 31st January and then ECAFE had to get information. When the information is given to us, we shall have to process it with other governments.

Dr. L. M. Singhvi: May I know whether this would play a merely supplemental and auxiliary role to the existing international institutions of credit or whether it would be a separate, autonomous body playing its own role in the international field?

Shri Sachindra Chaudhuri This is expected to be a separate, autonomous body to play a separate and independent role.

श्री मधु लिमये : इस बैंक के उद्देश्य में क्या इस बात का कोई स्पष्टीकरण है कि विशेष औद्योगिक क्षेत्रों के विकास के लिए या बिजली के विकास के लिए या यातायात के विकास के लिए या खेती के विकास के लिए उस के द्वारा मदद दी जायगी ?

Shri Sachindra Chaudhuri: This bank is formed for the general development of the member countries. Whichever particular scheme might be necessary by a member country will naturally be considered and the bank will give assistance for that.

श्री विश्वनाथ पाण्डेय : ऐशियन विकास बैंक के हेतु 10 करोड़ डालर की प्रस्तावित धनराशि जुटाने के सम्बन्ध में मैं जानना चाहता हूं कि किन किन देशों ने अपने अपने हिस्से का पूंजी अभी तक जमा की है ?

Shri Sachindra Chaudhuri: I have already said that we have not got the entire list. When we get the list, I shall be in a position to explain it to the House.

Shri R. Barua: May I know whether non-Asian countries have also offered to subscribe to the capital of this bank?

Shri Sachindra Chaudhuri: Yes, Sir.

Shri R. Ramanathan Chettiar: The hon. minister said that India's contribution will be of the order of 93 million dollars. May I know to what

extent India will be entitled to draw from this bank? Is there any norm fixed?

Shri Ranga: That depends on your credit.

Shri Sachindra Chaudhuri: Actually I think India will be the third contributor. Therefore, there will be a substantial portion of credit available to us from this.

Shri D. C. Sharma: There is the World Bank and there are other international agencies for giving credit to various countries. This bank is also meant to be a bank for giving credit to Asian countries. May I know how the overlapping will be avoided and how there will be a delimitation of the functions between the World Bank, the various international agencies and this Asian Bank?

Shri Sachindra Chaudhuri: When this bank is on its feet, and starts operating, the people who are in that organisation will see to it that there is no overlapping.

Dr. Ranen Sen: USSR, being an Asian power, participated in the preliminary discussion before the formation of this bank, when the whole idea was mooted. Is it a fact that USSR has refused to participate in the bank because it is alleged that USA's capital is a predominating factor in this bank? If so, what is the reaction of this government?

Shri Sachindra Chaudhuri: They have not become a member and they have not refused. I do not know what is the source of the hon. member's information for stating that the reason for the USSR not participating in this bank is the predominance of US contribution. I have no reason to think that that is something which is in the mind of USSR.

Shri P. Venkatasubbaiah: Since USA is a major contributor to the Asian Development Bank, may I know whether the Constitution has been so drawn as to give them a predominant say in the working of this bank?

Shri Sachindra Chaudhuri: The constitution of the bank does not give USA a predominant voice in the management of the bank.

Shri Hem Barua: May I know if the Government are aware of the fact that the Johnson Administration plans to use the Asian Development Bank as an agency through which to channel US aid funds meant for interregional development; if so, what is the Government's reaction to this new role the bank is entrusted with?

Shri Sachindra Chaudhuri: Well, Sir, so far as USA is concerned, if it is going to channel any aid through this bank that would assist the bank to have more in the shape of money or credit to dispense with (*Interruption*). It would not be a matter which will in any way be detrimental to the interests of India.

Shri Kashi Ram Gupta: The hon. Minister says that the progress is slow.

Mr. Speaker: He says it is not slow.

Shri Kashi Ram Gupta: May I know whether this . . .

Mr. Speaker: If it is slow, he has a supplementary to put. If it is not slow, even then he has a supplementary?

Shri Kashi Ram Gupta: In view of the fact that the progress is not slow, may I know when the bank is expected to start functioning in a proper way?

Shri Sachindra Chaudhuri: It is not a national institution, I have tried to say. The members of this particular bank are all sovereign independent countries. Sovereigns do not move very easily; they move rather slowly. Having regard to that fact the bank is moving as quickly as possible.

Shri Tridib Kumar Chaudhuri: May I know if Japan and, of course, Philippines are signatories to this agreement, and what would be the extent of their capital subscription?

Shri Sachindra Chaudhuri: Yes, Sir, Japan and Philippines are signatories. Japan will contribute 200 million dollars and Philippines 35 million dollars.

राष्ट्रीय स्वास्थ्य बीमा योजना

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*447. **श्री म० ला० द्विवेदी :**
श्री प्र० चं० बरुआ :
श्री भागवत झा आजाद :
श्री सुबोध हंसदा :
श्री सं० चं० सामन्त :

क्या **स्वास्थ्य तथा परिवार नियोजन** मंत्री 16 सितम्बर, 1965 के तारांकित प्रश्न संख्या 664 के उत्तर के संबंध में यह बताने की कृपा करेंगी कि :

(क) क्या प्रायोगिक स्वास्थ्य बीमा योजना के ब्यौरे पर विचार किया जा चुका है; और

(ख) यदि हां, तो उस की मुख्य मुख्य बातें क्या हैं ?

The Deputy Minister in the Ministry of Health and Family Planning (Shri B. S. Murthy): (a) and (b). Due to drastic reduction in the financial allocations, it has not been possible to provide the required funds for the pilot project in National Health Insurance Scheme during the first year of the IV Plan. The scheme has been kept in abeyance for the time being.

श्री म० ला० द्विवेदी : मैं यह जानना चाहता हूं कि इस स्कीम की रूपरेखा के मुख्य मुख्य भाग क्या हैं और इस पर अमल करने के लिए सरकार ने क्या प्रयत्न किया है कि इस को चौथी पंच-वर्षीय योजना में शामिल किया जाये ?

The Minister of Health and Family Planning (Dr. Sushila Nayar): Sir, would you like to take up the next question also? That also relates to the same thing.

Mr. Speaker: Next is about foreign exchange to industrialists visting abroad.

Dr. Sushila Nayar: The third one from this.

Mr. Speaker: If it had been answered along with this one I would not have any objection. Now she may answer it separately.

Dr. Sushila Nayar: That one is on the pilot project under the health scheme. Anyway, I will answer this. What I wish to state is this. जो हैल्थ इन्शोरेंस स्कीम का पायलेट प्राजैक्ट बनाने का इरादा था, उस का डीटेल्ज इस लिये वर्क आउट नहीं की गई, क्योंकि उस को चलाने के लिये हमारे पास पैसा नहीं था । लेकिन जो हमारा सैन्ट्रल गवर्नमेंट सर्वेन्ट्स की स्कीम है, वह एक हैल्थ इन्शोरेंस का नमूना हमारे पास मौजूद है, इसी तरह एम्पलाईज स्टेट इन्शोरेंस स्कीम के रूप में हमारे पास दूसरा नमूना मौजूद है । कई जगह लोग अपने अपने प्रयोग भी कर रहे हैं। अगर हमारे पास पैसे हों, तो हम डीटेल्ज वर्क आउट करें लेकिन जब हमारे पास पैसे ही नहीं है तो हम डीटेल्ज कैसे वर्क आउट करें ।

श्री म० ला० द्विवेदी : अध्यक्ष महोदय, मैं ने पूछा था कि क्या सरकार ने इस योजना को चौथी पंचवर्षीय योजना में शामिल करने के लिए कोई प्रयत्न किया था । उस का उत्तर नहीं दिया गया है ।

डा० सुशीला नायर : हम ने चौथी पंच-वर्षीय योजना में फिर पैसे मांगे है । अगर वे मिलेंगे, तो हम जरूर इस को चलायेंगे ।

श्री म० ला० द्विवेदी : मैं यह जानना चाहता हूं कि यदि चौथी योजना के पहले

वर्ष में इस स्कीम को शामिल करने की बात मंजूर नहीं की गई है, तो क्या इस योजना के आगामी चार वर्षों के बीच में इस को शामिल करने की सम्भावना है, यदि हां, तो सरकार इस बारे में क्या कदम उठाने जा रही है ?

डा० सुशीला नायर : चौथी पंच वर्षीय योजना का पूरा रूप-रेखा अभी हमारे पास नहीं है ।

श्री म० ला० द्विवेदी : क्या मंत्री महोदय ने प्रस्तावित किया है ?

डा० सुशीला नायर : प्रस्तावित तो हम ने जरूर किया है । हमारा कोशिश है कि इस बारे में जरूर कुछ कदम उठाया जाये ।

श्री भागवत झा आजाद : इन पूरक प्रश्नों के उत्तर से यह मालूम होता है कि यह योजना केवल कागज पर ही है । मैं यह जानना चाहता हूं कि क्या सिद्धान्त रूप में सरकार ने इस स्कीम को स्वीकार कर लिया है और पैसे का कमी का पूर्ति होने पर इस को लागू कर दिया जायेगा या सिद्धान्ततः भी इस को स्वीकार नहीं किया गया है ।

डा० सुशीला नायर : सिद्धान्त के रूप में कुछ हद तक के लिए इस को स्वीकार किया गया है, और, जैसा कि माननीय सदस्य जानते हैं, दिल्ली में सर्व-सामान्य व्यक्तियों को भी हमारा सेन्ट्रल गवर्नमेंट सर्वेन्ट्स स्कीम में शामिल किया गया है ।

Shri Subodh Hansda: The Minister has stated that there is already the CHS Scheme. I would like to know whether under the proposed scheme the families of the workers will be covered.

Dr. Sushila Nayar: So far as the families of workers are concerned, they come under the Employees State Insurance Scheme. As the hon. Member is aware, the families are being covered. They have not been covered in every case but there is gradual effort to extend the scheme to cover them.

Shri S. C. Samanta: May I know whether the financial implications of this scheme have been worked out? If so, what is the amount which would be available in the Fourth Plan?

Dr. Sushila Nayar: The financial implications can be worked out on a pilot basis only when one knows the availability of funds. The financial implications will differ if we are covering 1,000 families or 1 lakh families. So, the scope of the scheme depends upon the availability of finance.

Foreign Exchange to Industrialists visiting Abroad

*448. **Shri S. M. Banerjee:** Will the Minister of **Finance** be pleased to state:

(a) whether it is a fact that large amount of foreign exchange had been given to the various industrialists for going abroad during 1965; and

(b) if so, the total amount of foreign exchange given and the names of those industrialists with reasons for giving such large amounts?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) Reasonable amounts of foreign exchange had been given to certain industrialists for going abroad during, 1965.

(b) The total amount of foreign exchange released for business visits abroad during 1965 was equivalent to Rs. 1,83,17,135. Exchange is released according to prescribed scales for such visits connected with export promotion or for other business activities necessitating a personal visit abroad. To indicate the exchange released in each individual case will involve research and labour out of all proportion to the results likely to be obtained.

Shri S. M. Banerjee: What was the maximum amount given during 1965 to any particular industrialist and what is his name?

Shri Sachindra Chaudhuri: As I said, I have to make an enquiry. As and when I have made the enquiry, I will be able to give Shri Banerjee this information.

An hon. Member: To the House, not to Shri Banerjee.

Shri Sachindra Chaudhuri: Since Shri Banerjee asked the question, I said "to Banerjee". What is available to Shri Banerjee will certainly be available to the House.

Shri Surendranath Dwivedy: If all the figures are not available with him, he can mention the highest amount paid to any single individual.

अध्यक्ष महोदय : पहले श्री बनर्जी को अपने सवाल पूछ लेने दें ।

श्री स० मो० बनर्जी : पहले बनर्जी को तो खत्म हो जाने दीजिए ।

श्री अ० प्र० शर्मा : अगर बनर्जी खत्म हो जायेंगे, तो कैसे काम चलेगा ?

Shri Sachindra Chaudhuri: So far as the maximum which is allowed to a top-ranking businessman is concerned it is $45 per day, if he is going to either United States or Canada and £15 per day if he is going to any part of Europe or any other continent. That is the maximum which is payable.

Shri Ranga: For how many days?

Shri S. M. Banerjee: What about the names?

Mr. Speaker: He said he will place the information on the Table of the House.

Shri S. M. Banerjee: I would like to know whether a particular industrialst of Jullundar or Ludhiana was given late in 1965 or early 1966 £10,000 for recovery of his health.

Shri Sachindra Chaudhuri: I will certainly find that out whether anybody from Jullunder has had £10,000 for the recovery of his health. Of course, Shri Banerjee has not informed the House as to the name of that gentleman; had he done that it would have been easier for me. If he would like to do it privately, I would make an inquiry.

Shri Bhagwat Jha Azad: Sir, part (b) of the main question asked for the names of those industrialists with reasons for giving such large amounts. He has asked Shri Banerjee to give the name; but what about himself? Why should he not give the names in answer to part (b) of the main question?

Mr. Speaker: He has said that he has not got them; but, of course, I find in part (b):-

> "if so, the total amount of foreign exchange given and the names of those industrialists with reasons for giving such large amounts?"

Therefore the information must be available.

Shri Sachindra Chaudhuri: At the end in the last sentence of my answer to the main question I had said:

> "To indicate the exchange releassed in each individual case will involve reasearch and labour out of all proportion to the results likely to be obtained" . . . (*Interruption*).

Some hon. Members: Oh! oh!

Shri Surendranath Dwivedy: It may take time for him to find out what amount has been given to any individual, but the names of those persons who have been given foreign exchange can be given . . . (*Interruption*).

Mr. Speaker: Of course, the question was framed in such a form that this information should also have been available, but now that the hon. Minister says that he has not got it I must ask him to furnish all this information and place it on the Table of the House.

Shri A. P. Sharma: In reply to the main question the Minister has said that these industrialists were given foreign exchange for carrying out other bunsiness activities. May I know what are the other business activities within the knowledge of Government?

Shri Sachindra Chaudhuri: The other business activity is importation of capital goods, if importation of capital goods is necessary for machinery and so on or components, in that case in particular cases he is allowed to go and get that.

Shri A. P. Sharma: That comes under the business itself. He said "other business activitiess".

Shri Sachindra Chaudhuri: Sir, will you be good enough to see that the answer I have given is—

> "export promotion or for other business activities".

Export promotion is one to which I have referred.

Dr. L. M. Singhvi: May I know whether Government's claim is and whether this claim has any justification that these amounts also confer any commensurate benefits on the economy of the nation; if so, in what way?

Shri Sachindra Chaudhuri: Yes, Sir. If I go abroad for the purpose of export promotion and I succeed, in that case the country is benefited. The totality of the amount given is Rs. 1,83,00,000 and, therefore, the question would be really what is the benefit that I get out of it. The Government considers that the benefit got out of it is commensurate with the expenditure that has been incurred.

Dr. L. M. Singhvi: That is a fallacy . . . (*Interruption*).

Mr. Speaker: He says there is commensurate benefit.

Shri Bhagwat Jha Azad: How does he say that? What are the figures to justify that?

Mr. Speaker: That might be a different question.

Shri Sham Lal Saraf: In view of the export oriented policy that we have at the moment because of the development of the country going on, may I know if this amount includes surveys, setting up of business houses, export houses and sale organiations all over?

Shri Sachindra Chaudhuri: I am afraid, I did not quite catch what the hon. Member said.

Shri Sham Lal Saraf: Today because of development that is going on in the country, our export policy has to be export-oriented. Keeping that in view whether this amount includes surveys in foreign markets, setting up of export houses and business houses in foreign markets and also for conducting business relations in order to be able to some to that standard.

Shri Sachindra Chaudhuri: Yes, Sir; that is so.

श्री ओंकार लाल बेरवा : मैं यह जानना चाहता हूं कि इन को विदेशी मुद्रा देने के बाद तथा न के विदेशों से आने के बाद जांच के लिए कोई जांच कमीशन नियुक्त किया है, जो विदेशी मुद्रा की जांच करे कि कितना बचा और कितना नहीं बचा ?

Shri Sachindra Chaudhuri: When any amount of foreign exchange is allowed, the gentleman who goes out has got to return to the Reserve Bank any amount which he may have saved. As to whether he has spent the entire amount of foreign exchange in the foreign country or not, there is no provision which requires the account of the money spent.

Mr. Speaker: That is not the question so far as I can understand. The same thing is being repeated as to whether the benefits have been commensurate to the moneys spent or given to them in foreign exchange. He wanted to know whether there is any account which might show the amount spent and the amount in foreign exchange we got in return.

Shri Sachindra Chaudhuri: I have no information readily with me in regard to every individual case.

Mr. Speaker: The Members are anxious to know it. This information might be collected.

Shri Hem Barua: On 3rd March, the Industry Minister said that foreign exchange allocations for the public sector undertakings are drastically cut. Our foreign exchange position being so difficult, why is it that the Government have allowed these industrialists of the private sector to spend foreign exchange by roaming about and that too at the time when the Planning Minister has said that the private sector has made no effort towards the mobilisation of public savings?

Shri Sachindra Chaudhuri: In this country, the public sector and the private sector are together. Where there is a cut in the public sector, it is the expenditure for the purpose of getting a larger Plan. So far as the private sector is concerned, it is for the purpose of promotion of foreign business and for getting foreign exchange that some people should go out. It is for that purpose that they are being given help. As I have already indicated, the Government feels that the amount spent is commensurate with the benefit which comes in return.

Shri R. Ramanathan Chettiar: The Hon. the Finance Minister said that the amount of $45 for the United States and £15 for the United Kingdom or Europe is allowed for industrialists. Why is it for others, including Members of Parliament, not more than $20 for the United States and £ 6 for Europe is the maximum that is allowed. May I know what is the criterion by which the amount is fixed?

Shri Sachindra Chaudhuri: I said that the top-most people in business with the most possibility of getting foreign exchange into this country are given that much. Actually, there are three categories. One is $45 and £15—that is the maximum—the other is $35 and £ 10 and the third is Rs. 125 or Rs. 100. I am afraid, so far as we Members of Parliament are concerned, we not being in a position to earn foreign exchange, are given the third rate.

Shri Bhagwat Jha Azad: We are not worried about ourselves. (*Interruptions*).

Mr. Speaker: Order, order, I am just watching who are standing and I will try to accommodate as many as possible. There is one thing, very interesting, which struck me also because when I wanted some foreign exchange for my own treatment I was given only £10. . . (*Interruptions*).

Some hon. Members: Shame, shame!

Mr. Speaker: I am only asking the Minister just to look into it. Now, an allegation is that £ 1000 were given to one industrialist for the same consideration . . . (*Interruptions*). Order, order.

Shri Sachindra Chaudhuri: I can only assure the House that I will look into it. It surprises me that one individual has been given £1000 for the sake of his health consideration—I do not know—which has been so important to this country.. (*Interruption*). I have not got the information as to who is that gentleman and I have asked Mr. Banerjee to give me the name of that person.

श्री शिव नारायण : मैं आपकी प्रोटैक्शन चाहता हूं ।

Mr. Speaker: No; unless I call a Member, he should not speak.

Shri U. M. Trivedi: I do not want to recapitulate all the arguments that have been advanced for the free use of this foreign exchange and the supply of sufficient foreign exchange to the industrialists. But I would like to know whether it has been brought to the notice of the hon. Finance Minister that apart from the £10,000 allowed to an industrialists for recouping his health, he had made available to himself another £10,000 from England and Switzerland for that purpose.

Mr. Speaker: How can the hon. Minister answer this question now?

Shri U. M. Trivedi: He must be knowing this. All the accounts are there.

Shri Tyagi: Who is that industrialist?

Shri Sachindra Chaudhuri: So far as I am concerned, technically I may have the knowledge in the sense that somebody in my Ministry does, but I personally do not have the knowledge. I have already assured the House through you, Sir, that I shall collect the information and put it before the House. (*Interruptions*).

Mr. Speaker: I do not think hon. Members should continue in this manner. If they want to have the matter discussed in the regular manner, they might resort to other methods.

Shri Bhagwat Jha Azad: Is it not a fact that in the face of the stringency of foreign exchange, when an ordinary citizen gets olny Rs. 40, to give Rs. 2 crores to businessmen is an absolute waste of public money? If the answer to my question be in the negative, may I know the facts in the possession of Government to tell us how they were justified in giving Rs. 2 crores to the industiralists to roam about in the world?

Shri Sachindra Chaudhuri: The first part of the question is an expression of opinion, to which I do not agree. As for the second part of the question, I have said that I shall try and get as much information as I can and then put it before the House, and it is for the House to see whether or not this has been of any use.

Shri Bhagwat Jha Azad: The hon. Minister can never justify this. He cannot justify giving this amount of money to the moneyed classes while denying it to the ordinary citizens.

Mr. Speaker: Hon. Members might have recourse to some other procedure if they want to discuss it further.

L.I.C. loans for construction of houses

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***449. Shri Yashpal Singh:**
Shri Vishram Prasad:
Shri Bagri:
Dr. Ram Manohar Lohia:

Will the Minister of **Finance** be pleased to state:

(a) the total amount of loans granted by the Life Insurance Coproation to the policy- holders for the construction of houses during the year 1965-66 in the country; and

(b) whether the target for granting loan is being raised in view of the tight hosuing position in the country and particularly in Delhi?

The Minister of State in the Ministry of Finance (Shri B. R. Bhagat): (a) The number of loans sanctioned under 'Own Your Home' Scheme during the financial year 1965-66 (upto 31st December 1965) was 897 for an aggregate amount of Rs. 2,51,33,850 out of which Rs. 1,75,89,620 was disbursed.

(b) There is no target fixed for granting loans in any of the Centres where the Scheme is in operation including Delhi.

श्री यशपाल सिंह : क्या कोई ऐसा हिसाब लगाया गया है कि देहातों के लिए कितना रुपया दिया गया है और शहरों के लिए कितना दिया गया है ?

श्री ब० रा० भगत : यह सब तो शहरों के लिए है और 118 इस में अभी आते हैं। देहातों के लिए अलग स्कीम है ।

श्री यशपाल सिंह : कितनी दरख्वास्तें आई थीं और उनमें से कितनी मंजूर हुईं ?

श्री ब० रा० भगत : दिल्ली की तो मैंने सूचना दी है । 479 एप्लीकेशंज सैंक्शन हुईं । कितनी दरख्वास्तें आईं इसकी सूचना मेरे पास नहीं है ।

श्री प० ला० बारूपाल : यह जो योजना भवन निर्माण की जीवन बीमा निगम द्वारा लागू की गई है क्या यह सच है कि बीकानेर डिविजन को जिस में गंगानगर आदि बड़े बड़े शहर आते हैं, यह सुविधा नहीं दी गई है ?

श्री ब० रा० भगत : बीकानेर नहीं है इसमें, यह मैं देखूंगा ।

श्री हुकम चन्द कछवाय : भवन निर्माण के लिए लोगों की ओर से जो एप्लीकेशंज आती हैं वे काफी काफी देर पड़ी रहती हैं, तीन-तीन, चार-चार और छः-छः महीने पड़ी रहती हैं और तब जा कर स्वीकृत होती हैं । क्या ऐसी भी आपको शिकायतें मिली हैं कि जब तक बड़े अधिकारियों को अलग से रिश्वत न दी जाये तब तक वे उन एप्लीकेशंज को मंजूर नहीं करते हैं ?

श्री ब० रा० भगत : यह शिकायत कई बार आई थी और लाइफ इन्श्योरेंस कारपोरेशन ने इस पर गौर किया और अब उसने अपने जोनल आफिसिस को यह अधिकार दे दिया है कि एक हद तक वही इनको सैंक्शन करें ताकि ज्यादा देर न हो ।

श्री हुकम चन्द कछवाय : जल्दी निपटाया जाये, समय ज्यादा न लगे, इसके बारे में मैंने पूछा है ।

अध्यक्ष महोदय : उनका कहना है कि लोकल आफिसिस को दे दिया है और समय कम लगेगा । यही उनका मतलब है ।

श्री सरजू पाण्डेय : अभी सरकार ने जो ऋण देने की व्यवस्था की है वह सिर्फ कुछ एक शहरों तक सीमित है । मैं जानना चाहता हूं कि तमाम जीवन बीमा कराने वालों के लिए इस तरह की व्यवस्था करने पर सरकार विचार कर रही है ?

श्री ब० रा० भगत : जैसे जैसे साधन उपलब्ध हो रहे हैं जांच पड़ताल के बाद वैसे वैसे हम कोशिश कर रहे हैं कि तमाम सैंटर्ज में यह सुविधा प्रदान की जाये ।

Shri Indrajit Gupta: Quite sometime ago, the Committee on Public Undertakings had specifically criticised the housing loans policy of LIC and recommended that it should be overhauled and a much more positive and liberal policy adopted. What consideration is Government giving to that recommendation, how far has Government accepted it, and what does it propose to do?

Shri B. R Bhagat: The recommendations of the Committee on Public Undertakings are given their due consideration by Government.

Shri Indrajit Gupta: Still being given?

Shri B. R. Bhagat: Yes. There are a large number of recommendations. They are not decided piecemeal. We will give our report to the House as required.

Shri Maniyangadan: The Minister had said that the area of operations of the scheme would be extended further to more and more towns? Has that been done, and if so, how far?

Shri B. R. Bhagat: It is being progressively extended as administrative and other facilities are being arranged. At present, it is in operation in 118 centres.

Shri Daji: One of the important points brought out in the Report, as Government can see from its own figures, is that all the loans are given only to the higher brackets whereas loans are required more by the lower brackets. Has something been done at least to rectify this position?

Shri B. R. Bhagat: This particular scheme provides for the lower brackets also because the minimum amount is Rs. 7,500.

Shri Daji: The scheme provides, but in actual practice, we find it was given only to persons who have a policy of more than Rs. 50,000.

Shri B. R. Bhagat: No, this is not connected with policies. Anyone who is in the employ or has a regular income is eligible.

Shri Daji: But in actual practice, it was not done.

श्री रामेश्वरानन्द : मकान बनाने के लिए जो लोग प्रार्थना पत्र देते हैं उनको ऋण लेने में जितनी कठिनाई होती है मेरे खयाल में मंत्री महोदय को उसका पता नहीं है । मैं निवेदन करना चाहता हूं कि मकान बनाने वालों को जो ऋण दिया जाये उसका कोई ऐसा सरल उपाय होना चाहिये कि वहीं उसकी अच्छी तरह जांच कर ली जाये और वहीं उसको ऋण दे दिया जाया करे जांच-पड़ताल करके । लोगों को चक्कर लगाने न पड़ें, और उनका जो कई सौ रुपया इस तरह से खर्च हो जाता है, वह उनको न करना पड़े, क्या कोई ऐसी व्यवस्था आप करने का विचार कर रहे हैं कि वहीं जांच पड़ताल करके उनको ऋण मिल जाया करे ?

श्री ब० रा० भगत : यह मैंने कहा है कि सभी एप्लीकेशंज अब बम्बई भेजने की आवश्यकता नहीं है, वहां वे नहीं जायेंगी । दिल्ली में या दूसरे जोनल आफिसिस में उनको निपटाया जा सकेगा ।

Shri S. M. Banerjee: Is it a fact that one of the burning demands of the insurance employees is that they should be given some loan from the LIC for housing. Has any amount been ear-marked for 1966 or 1967 for the employees of the LIC, and if so, what is the amount?

Shri B. R. Bhagat: The employees of the Insurance Corporation are also entitled to loans under this scheme.

Shri S. M. Banerjee: They are not getting it.

Shri B. R. Bhagat: As for the exact amount, I want notice.

Dr. L. M. Singhvi: What is the maximum time taken in processing a loan? Whether it is not a fact that some of these loans are given on far more onerous conditions than those given by State Governments?

Shri B. R. Bhagat: The conditions are not far more onerous, rather they are more favourable. That is why there is a great demand. Attempts are being made to reduce the timelag in disbursement; normally it is expected that a loan should not take more than two to three months.

Dr. L. M. Singhvi: I asked what are the actual conditions. I am not asking about the norms. What is the maximum time taken in processing a loan?

Shri B. R. Bhagat: The norm is that it should not take more than two to three months.

Shri Sezhiyan: The Minister has said that the scheme is in operation in 118 towns and that a total of 497 applications were considered and granted. This works out to less than 5 6 per cent. Considering our population, is this not a very small percentage?

Shri B. R. Bhagat: The total number of loan applications for the whole country is 4,390, aggregating to Rs. 12 crores. Out of this, 1,836 ap-

lications were sanctioned; totalling Rs. 4.9 crores.

Shri P. R. Chakraverti: May I know what special facilities have been made for low income groups for loans for construction of houses?

Shri B. R. Bhagat: There is a special scheme run by the State Governments for the low income groups which LIC is subsidising already. This scheme also caters to the lower income groups, particularly fixed salary earners.

Shri Ranga: Have the hon. Minister and other Ministers concerned given careful consideration to the suggestions made by the Committee on Public Undertakings in regard to the various ways in which the LIC can improve its scheme for helping low paid employees and others also and provide housing facilities not only in large cities but also in medium scale cities, and have they taken any decisions after having considered those recommendations?

Shri B. R. Bhagat: As I said earlier, a large number of recommendations have been made, they are being considered in consultation with LIC, and we will place a statement on the Table of the House—that is our practice—on the decisions of the Government on those recommendations.

Shri Ranga: "Are being considered" is a very vague answer. There is no time limit there.

Mr. Speaker: They will place the decisions on the Table of the House.

Shri B. R. Bhagat: That is the practice generally.

Barrage on Kosi

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450. Shri Yashpal Singh:
Shri Bagri:
Shri Vishram Prasad:
Dr. Ram Manohar Lohia:
Shri Utiya:
Shri Vishwa Nath Pandey:

Will the Minister of **Irrigation and Power** be pleased to refer to the reply given to Starred Question No. 747 on the 9th December, 1965 regarding the Barrage on the river Kosi and state:

(a) whether the decision on the proposal to construct a second barrage on the Kosi has since been taken; and

(b) if not, the time by which it is likely to be finalised and the estimated expenditure to be incurred thereon?

The Minister of State in the Ministry of Irrigation and Power (Dr. K. L. Rao): (a) and (b). Not yet, Sir. The report of the Technical Committee set up by the Government of Bihar to examine the residual problems of the Kosi river is still awaited.

श्री यशपाल सिंह : क्या सरकार बतला सकती हैं कि इस में नेपाल सरकार की सहमति की आवश्यकता होगी या नहीं ?

Dr. K. L. Rao: It is not necessary to get the consent, but we have got to inform His Majesty's Government of Nepal.

श्री यशपाल सिंह : मैं जानना चाहता हूं कि यह सरकार किस खयाल से कर रही है सिंचाई के खयाल से या बिजलीघर बनाने के खयाल से ?

Dr. K. L. Rao: If the barrage is decided upon, it will have a large number of advantages. It will provide control of the river, it will provide a road bridge, it will provide a railway connection, and also provide irrigation.

श्री विश्वनाथ पाण्डेय : मैं जानना चाहता हूं कि कोसी नदी पर बांध बनाने का प्रस्ताव अगर सरकार ने रखा है तो वह किस स्थान पर बनाया जायेगा और वह कब तक बन कर तैयार हो जायेगा ?

Dr. K. L. Rao: This barrage, if decided upon, will be constructed 25 KM. from the present one, at a place, called Dagmara.

श्री हुकम चन्द कछवाय : मैं जानना चाहता हूं कि इस बांध के बनने में कितनी धन राशि खर्च होगी और उस से हमें कितना लाभ प्राप्त हो सकेगा, इस सम्बन्ध में अन्तिम निर्णय कब लिया जायेगा ?

Dr. K. L. Rao: The barrage cost will be anything between Rs. 25 and Rs. 30 crores. The benefits I have already submitted in reply to an earlier question. It is not possible to say when this will be completed, because we have not yet decided whether it will be taken up or not.

Shri Bhagwat Jha Azad: As the Minister knows, people living in this, side have no railway connection and are always subject to the vagaries of this uncontrolled river. So, may I know whether this technical committee which will report about the feasibility of this barrage has been given any time limit to submit its report, or are they just going in a happy-go-lucky way?

Dr. K. L. Rao: The report is expected in the month of April.

Shri A. P. Sharma: Just now the hon. Minister said that there would be provision for a road bridge and also a rail bridge. May I know whether his Ministry will take up this work, whether the Railway Ministry and the Transport Ministry have already been consulted and whether they have given their consent?

Dr. K. L. Rao: If this barrage is going to be taken up, it will be in the Ministry of Irrigation and Power.

Assistance by World Bank

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***451. Shrimati Savitri Nigam:**
Shri M. L. Dwivedi:
Shri Hukam Chand Kachhavaiya:

Will the Minister of Finance be pleased to state the reason for the gradual decline in the amount of World Bank assistance to India during the last six months?

The Minister of Finance (Shri Sachindra Chaudhuri): There has been no decline as mentioned by the hon. Members. The amount of assistance, defined in terms of new loans sanctioned, depends on the progress in the appraisal of loan proposals and of negotiations and bears no relevance to a monthly level. The level of aid indicated by the World Bank at Consortium meetings from time to time has been steady and there is no indication that this will fall.

Shrimati Savitri Nigam: May I know whether it has been brought to the notice of the World Bank that the interest rate and the service charges are too high especially for the developing countries and, if the answer is in the affirmative, may I know what has been the reaction?

Shri Sachindra Chaudhuri: In the negotiations, we consider the points which are relevant for the purpose of reducing the service charges and the rate of interest. After all, the lended has got to be wise, in that, and we try to strike the best bargain for ourselves.

Shrimati Savitri Nigam: May I know whether the Government has also brought to their notice that the developing countries need more untied loans and more long-term loans, and if it has been done, what was their reaction and how far have the Government succeeded in getting it done?

Shri Sachindra Chaudhuri: So far as the World Bank is concerned, we go to the World Bank for certain purposes for getting a loan. The united loan comes in where it is a question of getting money from a State or a Government; there the question arises whether the loan is being spent, whether the particular country grants it or not.

श्री म० ला० द्विवेदी : मैं जानना चाहता हूं कि भारत सरकार वर्ल्ड बैंक के विभिन्न शीर्षकों के अन्तर्गत कुल कितना ऋण चाहती है, और क्या इस वजह से वर्ल्ड बैंक ने भारत सरकार को ऋण देना कुछ कम कर दिया है कि उसकी अदायगी ठीक से नहीं हो रही हैं ?

अध्यक्ष महोदय : मंत्री महोदय कह रहे हैं कि कम नहीं कर दिया और आप कहते हैं कि कम कर दिया है ।

श्री म० ला० द्विवेदी : क्या एक कारण यह भी है ?

Shri Sachindra Chaudhuri: As I said, there has not been any diminution of the loans which come from the World Bank and therefore, the rest of the question does not arise. What happens is that when a loan is asked for, the World Bank wants to examine for itself the process by which the loan is to be spent; depending upon the process, sometime it takes time and sometimes it does not. The heavier the loan that is granted, the larger is the time taken.

Shri M. L. Dwivedi: What is the total loan?

Mr. Speaker: Order, order. He assumes that there is a decline and the Minister denies it.

श्री हुकम चन्द कछवाय : मैं जानना चाहता हूं कि भारत ने अनेकों देशों से जो कर्जा लिया उस के ब्याज का भारत पर जो कर्जा है उस को ध्यान में रखते हुए क्या विश्व बैंक ने अपना हाथ कुछ खींचा है ? उसने खुलासा कुछ नहीं कहा है लेकिन इन सब बातों को ध्यान में रख कर क्या हाथ खींच लिया है ?

Shri Sachindra Chaudhuri: No, Sir. The World Bank considers the entire position of India and its requirements and the particular process through which the loan is demanded, and on that basis the loan is made or the loan is not made.

श्री हुकम चन्द कछवाय : मैं ने कहा था कि इन बातों को ध्यान में रखते हुए . . .

अध्यक्ष महोदय : उन्होंने कहा कि कोई डिक्लाइन नहीं हुआ है ।

Shri H. N. Mukerjee: We are a sovereign country, but it seems the World Bank examines the feasibility of a project before it grants a loan which of course we have to pay back with interest. Does it not operate to the detriment of our sovereignty and to our interests, because we might wish to proceed with a project in a manner different from what the World Bank may recommend?

Shri Sachindra Chaudhuri: So far as the World Bank is concerned, it is a Bank which starts with the contribution made by sovereign countries, and we are a member of that Bank, and therefore, we subject ourselves to the rules of the Bank. In any event, a banker naturally wants to examine the project for which the money is advanced and is repaid. I do not think there is any diminution or any surrender of our sovereignty when we go to the World Bank.

Shri Tyagi: Since Parliament is primarily responsible for foreign pacts or any liability of the whole nation, may I know what decision has Government taken on the recommendation of the Public Accounts Committee to the effect that no further debts should be incurred without the previous sanction of Parliament? Have the Government taken some decision on it?

Shri Sachindra Chaudhuri: Well, Sir, so far as the recommendations of the Public Accounts Committee are concerned, Parliament naturally makes recommendations which should be given the greatest consideration by Government and the Government does give consideration to them.

Shri Ranga: May I put a supplementary, Sir? In view of the fact

that Government themselves—and the Finance Minister also—have admitted that quite a lot of money is being spent on non-plan or unplanned schemes in our country. Is it the policy of the government to see that we utilise these borrowed sums only for plan projects for developmental purposes?

Shri Sachindra Chaudhuri: That is certainly the intention of the government to spend borrowed money only on those schemes where they will yield the best results. We are borrowing money for the purpose of development and for the plan and we are spending the money for that purpose. I cannot immediately say that in the non-plan purposes there may not be something which might also be a developmental purpose.

SHORT NOTICE QUESTION

राजस्थान में बिजली की कमी

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S.N.Q. 6. **श्री हुकम चन्द कछवाय :**
श्री प्रकाशवीर शास्त्री :
डा० लक्ष्मीमल्ल सिंघवी :
श्री ओंकार लाल बेरवा :
श्री यशपाल सिंह :

क्या सिंचाई और विद्युत मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि गांधी सागर बांध से प्राप्त होने वाली बिजली में कमी के परिणामस्वरूप, राजस्थान के कोटा ज़िले में कई उद्योग बन्द हो गये हैं और रेलवे वर्कशाप भी बन्द पड़ी है;

(ख) यदि हां, तो उसके फलस्वरूप कितने श्रमिक बेरोजगार हो गये हैं; और

(ग) इस कमी को दूर करने के लिए सरकार क्या कदम उठा रही है ?

The Minister of State in the Ministry of Irrigation and Power (Dr. K. L. Rao): (a) to (c). A statement is laid on the Table of the House. [*Placed in Library. See* No. LT-5738/66].

श्री हुकम चन्द कछवाय : मैं जानना चाहता हूं कि गांधी सागर बांध के अन्दर कुछ मछली पालने का भी काम किया जाता है तो मछली के बीज बदलने के लिए इस पानी को खाली किया गया था, उसके परिणामस्वरूप दोबारा पानी नहीं आया, वर्षा नहीं हुई, पानी इकट्ठा नहीं हुआ, यह भी एक प्रमुख कारण है कि बिजली की कमी वहां हो रही है ?

Dr. K. L. Rao: The hon. member's guess is not correct. The shortage in the reservoir was due to two reasons—firstly the reservoir was overdrawn in 1963 and a lot more of power was generated from it than it was designed for; secondly in 1964 and 1965 for two consecutive years, the rainfall failed. Therefore, it is very unfortunate that the reservoir has gone down very much.

श्री हुकम चन्द कछवाय : मैं यह जानना चाहता हूं कि इस गांधी सागर बांध की बिजली से मध्य प्रदेश और राजस्थान इन दोनों प्रान्तों को बिजली प्राप्त होती थी, तो इससे कितनी बिजली पैदा होती थी, आज कितनी कमी है और क्या इस बात का भी सरकार ने ध्यान रखा है कि मध्य प्रदेश और राजस्थान के जितने भी छोटे छोटे उद्योग हैं और बड़े उद्योग हैं वह काफी पैमाने पर बेकार पड़े हैं उत्पादन की क्षति हो रही है और काफी मजदूर बेकार पड़े हैं ?

Dr. K. L. Rao: Rajasthan and M.P. are equal partners in the Gandhi Sagar reservoir. Therefore, power is divided between them equally. Originally 9 lakh units per day were generated. Today it is generating 2 lakh units. This is divided equally between them.

श्री हुकम चन्द कछवाय : उद्योगों के बारे में पूछा कि कितने उद्योग बन्द पड़े हैं ?

Dr. K. L. Rao: That I have answered in the statement—no industries were closed.

Mr. Speaker: If it has been given in the statement, he need not answer it.

श्री प्रकाशवीर शास्त्री : अध्यक्ष जी, मैं यह जानना चाहता हूं कि गांधी सागर बांध में पानी की कमी के कारण जो बिजली कम हो रही है क्या सरकार ने कुछ इस प्रकार का भी निर्णय लिया है कि जो बिजली से संबंधित अनिवार्य सेवायें हैं जैसे कृषि, उद्योग आदि इनको प्राथमिकता दें या और जो अनिवार्य सेवायें हैं उनको बराबर बिजली मिलती रहे और इसके बदले में जो मनोरंजन के साधन सिनेमा वगैरह हैं उनकी बिजली कम करके उद्योगों को चलाया जाय, इस प्रकार का भी कोई निर्णय लिया गया है ?

Dr. K. L. Rao: It is quite so. For agricultural pumping and for water-supply schemes there has been no power cut at all.

Dr. L. M. Singhvi: May I know whether the power famine in Rajasthan is due to failure in the planning and conception of this dam or due to overdrawing of water in 1963, and whether government consider the arrangements made by them to be adequate to meet the shortage. Are they in a position to assure that no great retardation of industrial growth in Rajasthan would take place as a result of this?

Dr. K. L. Rao: I have already given the reasons why the reservoir has not come up, viz., there was overdrawing and also failure of rainfall unfortunately. With regard to the other question whether Rajasthan can be assured of power, it is quite so. We have taken quite a large number of steps. There is the Satpura power station, atomic energy, from the Bhakra system itself we expect power and so on. I know the situation will be difficult for the next one year or two years in Rajasthan. It is very unfortunate. Even so, we are trying to connect the transmission lines from the neighbouring areas so that we can send in power from the neighbouring lines. While we are trying to do our best, I am afraid there will be some amount of difficulty in Rajasthan this year.

श्री ओंकार लाल बेरवा : श्रीमन, मैं यह जानना चाहता हूं कि पहले तो जो इन्होंने रांग स्टेटमेंट दिया इसके लिए मुझे बड़ा खेद है क्योंकि इन्होंने कहा कि कोई भी उद्योग बन्द नहीं है जबकि रेलवे के लक्ष्मी वर्कशाप कारखाने के 15 सौ आदमी बेकार हैं और उनको आधे दिन की मजदूरी दी जाती है, इसलिए उन्होंने बिलकुल झूठ बोला है . . .

अध्यक्ष महोदय : आर्डर, आर्डर । अगर वह कोई गलती करते हैं तो भी ऐसी बात . .

श्री ओंकार लाल बेरवा : कितनी बड़ी गलती है ? . . .

अध्यक्ष महोदय : आर्डर, आर्डर । मेम्बर साहबान को जरा तो सोचना चाहिए एक दूसरे से बात करते हुए बात जो हो वह कुछ ऐसी हो, जो आम आदमी करते हैं उतनी तो हो इस हाउस में । अगर उनको इत्तिला मिली है दूसरी तरह से तो झूठ बोलना तो वह होता है जो जान बूझ कर, एक आदमी जानते हुए भी गलत बात कहे जिसकी कि उसे इत्तिला हो कि गलत है । उनको जो इत्तिला मिलती है वह आती है मुहकमे से । अगर उसकी बिना पर वह कहते हैं तो उस पर यह कहना . . .

श्री ओंकार लाल बेरवा : श्रीमान जी, यह तो सत्य से एक हजार मील दूर रहते हैं, बिल्कुल जो रोज यहीं . . .

अध्यक्ष महोदय : अब मुझे इसको निकालना पड़ेगा । अगर आप मेरे कहने के बावजद भी जिद्द करेंगे, तो मैं इजाजत नहीं

दूंगा । . . (व्यवधान) . . . आप सवाल करें ।

श्री ओंकार लाल बेरवा : सवाल करने के लिए मैं तैयार हूं . . .

श्री हुकम चन्द कछवाय : मंत्री महोदय की गलतबयानी है . . .

अध्यक्ष महोदय : अपनी इज्जत रखना आपके अपने हाथ में है । अगर आप एक दूसरे की इज्जत नहीं करेंगे तो संसार में या देश में आपकी और पार्लियामेंट की इज्जत नहीं होगी । अगर आप फख्र समझते हैं कि आप एक-दूसरे की बेइज्जती करें तो इसमें देश कोई आपकी इज्जत नहीं करेगा । . . . (व्यवधान) . . . पार्लियामेंट की कुछ इज्जत होनी चाहिए । देश के लिए यह अभाग्य की बात है । . . (व्यवधान) . . आप सवाल कीजिए ।

श्री ओंकार लाल बेरवा: मैं यह जानना चाहता हूं कि क्या जैसे और इंडस्ट्रीज को नोटिस दिया था एक महीने पहले उसी तरह क्या लक्ष्मी वर्कशाप को भी नोटिस दिया था और उसके अन्दर जितना नुकसान हुआ है उसके लिए कौन जिम्मेदार होगा ? और उसको चालू करने के लिए और उसके अन्दर ऐसी खामियां न होने देने के लिए, उसको चलाने के लिए क्या कार्यवाही की जा रही है ?

Dr. K. L. Rao: I want to submit to this House that when this question came, I took special steps to enquire and get the correct information. Therefore, a special officer was sent out to the area to get the correct information as far as possible. According to the information we had from him as also from the Government of Rajasthan, there has been no retrenchment of any staff. On the other hand, the number of wagons repaired in the railway workshop has increased from 270 to 350 this month.

With regard to the question as to who is to bear the loss and so on, it is unfortunate, nobody is responsible for this. This has been due to an accident and the rainfall not occurring. Since there has been so far hydro-electric power, at the moment this is inevitable and the loss has got to be borne by them.

श्री ओंकार लाल बेरवा: उनको नोटिस दिया था या नहीं ?

Mr. Speaker: He wants to know whether notice had been given to them in advance.

Dr. K. L. Rao: Yes; always wherever we apprehend that there will be difficulty, the parties are given notice.

श्री यशपाल सिंह: क्या यह ठीक है कि ऐग्रीकल्चर परपजेज के लिए जो ट्यूबवेल्स लगाये गये हैं उनको पीक आवर्स में कनेक्शन दिया जा रहा है ? यदि हां तो . . .

अध्यक्ष महोदय : कहां की बात कर रहे हैं आप ?

श्री यशपाल सिंह: राजस्थान की ।

अध्यक्ष महोदय : गांधी सागर डैम की कर रहे हैं ?

श्री यशपाल सिंह: नहीं जी, राजस्थान की पूछ रहा हूं ।

अध्यक्ष महोदय: राजस्थान तो नहीं है इसमें ।

श्री यशपाल सिंह: राजस्थान में बिजली की कमी हो रही है ।

Shri K. D. Malaviya: Has not realisation come to the Government that in spite of the low cost of generation of hydro-electric power now it is perhaps necessary to revise the entire thinking and to switch on again to steam generation plants for generating power because of these frequent failures of rain?

Dr. K. L. Rao: We always see that there is a particular ratio between hydel power and thermal power which we want to attain. In Rajasthan also efforts are being made to have a large amount of thermal power added on to the system.

Shri Harish Chandra Mathur: In view of the statement of the hon. Minister, I fully appreciate the efforts made. But it is obvious that for another two years there would be no further development but stagnation. In this context, a reference was made to some power being obtained from Gujarat, about 20,000 KW. May I know how the matter stands, whether he is making any further efforts, other than those stated here, so that there is no stagnation, if not further development?

Dr. K. L. Rao: It is true that we were thinking of getting power from Ahmedabad. But, unfortunately, the Gujarat Government will not be able to supply it after December 1966. Even to get that supply up to December 1966 we have to construct a new line which will cost Rs. 1 crore and the line will be ready only by the end of October. So, it will mean spending that amount to get power just for two months. Therefore, we had to give up that proposal. With regard to further augmentation, I have already submitted that we are trying to expedite the Satpura power in which Rajasthan has got two-fifth share. We hope it will be ready by the month of October.

श्री यशपाल सिंह : मंत्री महोदय ने मेरे प्रश्न का उत्तर नहीं दिया ।

अध्यक्ष महोदय : माननीय सदस्य तो जनरल बात पूछ रहे थे ।

श्री यशपाल सिंह: मैं जनरल बात नहीं बल्कि राजस्थान के बारे में पूछ रहा था ।

अध्यक्ष महोदय: राजस्थान के बारे में यह सवाल नहीं है ।

श्री यशपाल सिंह: अब कोटा जिले में पीक ओवर्स में लोगों को बिजली के कनैक्शंस दिये जा रहे हैं तो एग्रीकल्चरल परपज के लिए किसानों को क्यों नहीं दिये जा सकते और इस बारे में उनकी कठिनाई कब तक दूर की जायगी ? जब भी एग्रीकल्चरिस्ट्स को बिजली देने के बारे में सवाल करते हैं तो जवाब गोल कर जाते हैं ।

अध्यक्ष महोदय : अच्छा ।

Shri Kapur Singh: May I ask whether the Government realise that to grow fish for the purpose of human consumption in a water reservoir associated with the name of the father of the nation is open to serious objection?

Dr. K. L. Rao: There is nothing wrong in it. Fish cannot take away the power.

Shri Daji: First of all, the information given to the Minister and given by the Minister to the House, is absolutely incorrect, because 50 per cent power shedding has affected a large part of the industries and even street lights are not burning in half of Rajasthan and half of Madhya Pradesh. You may check up that. I now come to my question. The hon. Minister has stated that the reason for this failure is overdrawing of water in 1963-64. Is the Minister aware that the Madhya Pradesh Government even now does not agree that the water was overdrawn? If what is stated by the Minister is true, will he ensure that there is better co-ordination between the Central Water and Power Commission and the Madhya Pradesh Government so that the overdrawing of water is not repeated? And what about the scheme to connect Chambal with Amarkantak.

Dr. K. L. Rao: There is no question of arguing about the overdrawal of water. The figures are there and the Madhya Pradesh Government have not said that it was not overdrawn.

In fact, it was overdrawn beyond capacity. While the capacity was 9 lakhs units a day, for whole 13 months it was drawn at the rate of 18 lakhs units per day. Regarding connecting Amarkantak with Chambal, the Jubbalpur-Ittarsi line is being expedited and we hope it will be ready by the end of March.

WRITTEN ANSWERS TO QUESTIONS

मेडिकल कालेज तथा अस्पताल

*453. श्री प्रकाशवीर शास्त्री :
श्री हुकम चन्द कछवाय :
श्री जगदेव सिंह सिद्धान्ती :
श्री म० ला० द्विवेदी :
श्री प्र० चं० बरुआ :
श्री भागवत झा आजाद :
श्री सुबोध हंसदा :
श्री स० चं० सामन्त :

क्या स्वास्थ्य तथा परिवार नियोजन मंत्री यह बताने की कृपा करेंगी कि :

(क) क्या इस वर्ष कुछ नये मेडिकल कालेज खोले जाने की संभावना है;

(ख) क्या गांवों में डाक्टरों की कमी को ध्यान में रखते हुए सरकार उनके लिये एक आकर्षक योजना तैयार कर रही है; और

(ग) क्या राज्यों से ऐसी जानकारी एकत्रित की गई ह कि वहां कितने अस्पताल डाक्टरों के बिना चल रहे हैं ?

स्वास्थ्य तथा परिवार नियोजन मंत्री (डा० सुशीला नायर) : (क) जी हां ।

(ख) नये चिकित्सा स्नातकों को ग्राम क्षेत्रों में काम करने की प्रेरणा देने के लिये कुछ प्रस्ताव सरकार के विचाराधीन हैं ।

(ग) जी हां । एक विवरण सभा पटल पर रख दिया गया है । [पुस्तकालय में रखा गया, देखिये संख्या ए० स० टी—5734/66]

Loan from U.S.S.R.

*454. **Shri Karni Singhji:**
Shri Bishwanath Roy:
Shri Bal Krishna Singh:
Shri Hem Barua:

Will the Minister of **Finance** be pleased to state:

(a) whether it is a fact that the Soviet Union have agreed to give India commercial credit repayable over a period of 10 years in order to enable import of spare parts on components for the industries set up with Russian collaboration;

(b) the amount of the credit and the terms and conditons under which payment is to be made; and

(c) the manner in which this is proposed to be utilised?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) The Soviet Union has agreed to supply on 10 years' deferred payment terms (a) replacement equipments for the enterprises built-up with the assistance of USSR and (b) equipment necessary for the fulfilment of the production programme of the enterprises built with assistance of U.S.S.R.

(b) The terms of payment of the credit are as follows:

(i) 1½ per cent of the total value within 30 days from the date of conclusion of the contracts;

(ii) 7½ per cent on presentation of shipping documents; and

(iii) the balance 85 per cent to be paid in 20 equal half-yearly instalments, the first instalment being due on the 1st of October with respect to deliveries in the first half of the calendar year, and on the 1st of April with respect to deliveries in the second half of the preceding calendar year.

There is no fixed ceiling for the credit, and the items mentioned at (a), to the extent suplied by U.S.S.R.

in the five years 1966-1970, are expected to be covered by these deferred payment terms.

(c) It is proposed to avail of this facility for importing components and replacement equipment for the Soviet assisted projects so that the production targets of these units for the Fourth Five-Year Plan can be fulfilled.

Study of Insurance Problems

*455. **Shri Vishwa Nath Pandey:**
Shri Yashpal Singh:
Shri Dhuleshwar Meena:
Shri Ramachandra Ulaka:

Will the Minister of **Finance** be pleased to refer to the reply given to the Starred Question No. 471 on the 25th November, 1965 and state:

(a) the nature of the Study Report submitted by the former Cabinet Secretary on Insurance Problems; and

(b) the reaction of Government thereto?

The Minister of State in the Ministry of Finance (Shri B. R. Bhagat): (a) and (b). Shri Khera has submitted the results of his studies on certain Life and General Insurance problems, namely, administration of the Life Insurance Corporation, the problem of investment of life funds and the problem of re-insurance. These are under consideration of Government.

Flood Control Measures in Assam

*456. **Shrimati Renuka Barkataki:**
Shri P. C. Borooah:

Will the Minister of **Irrigation and Power** be pleased to state:

(a) whether the Team of Czechoslovak Flood Control Experts who visited Assam have submitted a report on the short term and long term flood control measures in Assam; and

(b) if so, the main features of the report?

The Minister of Irrigation and Power (Shri Fakhruddin Ahmed): (a) No Czech experts visited Assam to study flood control measures. However, at the invitation of the State Government a team of experts from a Yugoslav firm of Calcutta inspected, in November, 1965 the Brahmaputra in the Mohonaghat area at Dibrugarh, where experimental dredging for the purpose of control of flood and erosion is proposed to be carried out as per decision taken in the Assam Flood Control Board. The report from the firm is awaited by the State Government.

(b) Does not arise.

Financial Rules

*457. **Shri Bibhuti Mishra:** Will the Minister of **Finance** be pleased to state:

(a) whether Government's attention has been drawn to the 'Indian Nation' (morning edition) dated the 28th December, 1965, published from Patna reporting the speech of Shri A. K. Roy, Comptroller and Auditor General of India, that the financial rules are a legacy from the British Raj whcih did not trust our people and called for reappraisal of old rules as many of them are now out-dated; and

(b) if so, Government's reaction thereto?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) Yes, Sir.

(b) It is not clear whether the Comptroller and Auditor General was referring to rules of the Government of India or of the State Governments. As no specific rule or set of rules has been mentioned by him and no concrete suggestions have been put forward, the Government of India can take no view and can only state that their own financial rules are being constantly revised or enlarged consistent with requirements. Any suggestion which the Comptroller and Auditor General may make will as usual receive earnest consideration.

Beas Project

*458. **Shri D. C. Sharma:**
Shrimati Savitri Nigam:

Will the Minister of **Irrigation and Power** be pleased to state:

(a) whether the work on the Beas Project is held up due to uncertainty of aid; and

(b) if so, the steps being taken to keep the work going?

The Minister of Irrigation and Power (Shri Fakhruddin Ahmed): (a) No, Sir.

(b) Does not arise.

Relief to Drought-Affected Areas

*459. **Shri Hem Raj:** Will the Minister of **Finance** be pleased to state:

(a) whether there is any proposal under consideration to amend the Central and State Rules for declaring any areas as famine-affected and the mode of calculation for the grant of relief to the different States; and

(b) if so, its details?

The Minister in the Ministry of Finance (Shri B. R. Bhagat): (a) No. There is only a proposal to modify the policy of financial assistance to State Governments for relief expenditure.

(b) The details of the proposal have not yet been fully worked out.

Allocation for Social Services in Third Plan

*460. **Shrimati Renuka Ray:** Will the Minister of **Planning** be pleased to state:

(a) the total cut in the allocation for social services in the last year of the Third Five Year Plan; and

(b) how is this being distributed between the different nation-building services?

The Minister of Planning (Shri Asoka Mehta): (a) There has been no cut in the allocation for Soical Services in the last year of the Third Plan. As against an anticipated expenditure of Rs. 318.4 crores in 1964-65, the budget estimate for 1965-66 is Rs. 411.3 crores and the likely expenditure is estimated at about Rs. 413:9 crores.

(b) Does not arise.

Restrictions on Import of Drugs

*461. **Shri Indrajit Gupta:**
Shri P. C. Borooah:
Shri Madhu Limaye:
Dr. Ram Manohar Lohia:
Shri Kishen Pattnayak:
Shri Maurya:

Will the Minister of **Health and Family Planning** be pleased to state:

(a) whether it is a fact that total ban on imports of some essential drugs and severe restrictions on others imposed by Government have produced a major crisis in the medical field;

(b) whether Government are also aware that as a result, treatment of serious cases of illnesses is being seriously jeopardised and black-market is flourishing in medicines and drugs; and

(c) if so, Government's reaction in the matter?

The Minister of Health and Family Planning (Dr. Sushila Nayar): (a) Government have not imposed a total ban on import of any essential drug. However, following the out-break of hostilities with Pakistan, the list of importable items was abridged so as to include the most essential drugs to ensure that within the limted amount of foreign exchange available the maximum quantity of these essential drugs could be imported. Other drugs are also permitted to be imported by the Established Importers upon specific requests from them, if they are considered essential.

(b) Government have not received any reports either of any crisis in the medical institutions or of difficulties in

the treatment of serious cases of diseases on account of shortage of drugs. Complaints have, however, been received regarding the shortage of certain special drugs such as Contrast media for X-ray, anti-cancer drugs, special anaesthetic drugs such as Thiopentone Sodium, anti-tubercular drugs for drug resistant cases etc. In those cases the grant of *ad hoc* licences for their import were recommended to the Chief Controller of Imports and Exports. Government have received no reports of any black market flourishing in drugs and medicines.

(c) The following action has already been taken with a view to meet the situation arising out of shortages:—

(1) An *ad hoc* ceiling of Rs. 1.3 crores was sanctioned from rupee sources and the S.T.C. has entered into contract for import of essential raw materials. The first shipment has already arrived and is under clearance.

(2) The State Drugs Control authorities were advised to weed out non-essential drugs while recommending grant of licences for import of raw materials.

(3) The list of Essential Drugs published in the Import Trade Control Policy was revised to cover only the critically essential drugs so that established Importers could import only those items. Barter deals and Export Promotion Scheme licences were also recommended to be made valid for the import of only critically essential drugs.

(4) Import licences for special drugs required for personal use were recommended liberally.

(5) Attempts are being made in collaboration with the C.S.I.R. to develop essential drugs from indigenous sources.

Central Government Hostel in Madras

*462. **Shri R. Ramanathan Chettiar:** Will the Minister of **Works, Housing and Urban Development** be pleased to state:

(a) whether Government are aware of the considerable inconvenience caused to the Central Government Officers and Members of Parliamentary Committees visiting Madras for want of any Central Government Hostel just on the lines of the one set up at Calcutta;

(b) if so, whether Government have under consideration any proposal to build some such Hostel in Madras too; and

(c) when this project is likely to be taken up and completed?

The Minister of Works, Housing and Urban Development (Shri Mehr Chand Khanna): (a) to (c). There is no proposal for building a hostel in Madras. However, a rest house for Central Government Officers will be provided in the office building under construction at Haddows Road. The building is expected to be completed by June this year. Meanwhile a rest house is being run in the residential flats at No. 12, Haddows Road.

D.V.C. Audit

*463. **Shri Mohammad Elias:**
Dr. Ranen Sen:

Will the Minister of **Irrigation and Power** be pleased to state:

(a) whether it is a fact that expenditure on Damodar Valley Corporation Audit is on continuous increase for the last few years, although there has been a substantial reduction in the works of the Damodar Valley Corporation; and

(b) whether it is also a fact that due to the employment of a large number of employees in the Audit Section without enough work, the Audit is indulging in unnecessary

work leading to wastage of time and money?

The Minister of Irrigation and Power (Shri Fakhruddin Ahmed): (a) No, Sir.

(b) No, Sir.

National Defence Remittance Scheme

***464. Shri Jashvant Mehta:**
Shri Yashpal Singh:

Will the Minister of **Finance** be pleased to state:

(a) the amount received in terms of foreign exchange under the National Defence Remittance Scheme up-till now; and

(b) whether Government have taken any decision to extend the Scheme beyond the 28th February, 1966?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) Rs. 27·20 crores upto 8th March, 1966.

(b) Yes, Sir. As announced in the Press Note dated the 23rd February, 1966 the Scheme has been extended upto 31st May, 1966.

Credit from Hungary

***465. Shri P. C. Borooah:** Will the Minister of **Finance** be pleased to state:

(a) whether a Hungarian delegation recently visited New Delhi and offered credit and economic collaboration to India;

(b) if so, the precise offer made by the delegation; and

(c) Government's reaction thereto?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) to (c). During his recent visit to India, the Prime Minister of the Hungarian People's Republic offered a Government Suppliers' Credit of Rs. 25 crores for India's economic development. The Government of India has accepted the offer. The details of the credit including the purposes for which it will be used will be negotiated later.

Scarce Raw Materials for Industries

***466. Shri Narayan Reddy:**
Shri Rameshwar Tantia:
Shri Himatsingka:

Will the Minister of **Planning** be pleased to state:

(a) whether it is a fact that the Planning Commission propose to set up a central agency to undertake detailed planning for long-term import and distribution of scarce raw materials to industries;

(b) if so, the details of the proposal; and

(c) when the final decision is likely to be taken?

The Minister of Planning (Shri Asoka Mehta): (a) No, Sir.

(b) and (c). Do not arise.

Payment for Import of Food Partly in Dollars

***467. Shri Madhu Limaye:**
Shri Kishen Pattnayak:
Shrimati Maimoona Sultan:

Will the Minister of **Finance** be pleased to state:

(a) whether there is any move by the U.S. Government to make India pay for the imported food, partly in dollars; and

(b) if so, the dollar and rupee contents of these imports?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) Payments for food imported under the current U.S. Public Law 480 are made in rupees. However, payment for the freight has to be made in dollars. No change is contemplated with regard to either of these in terms of

agreements already signed. It is not possible to say at present what the position will be when the present Public Law 380 expires in December, 1966 and is replaced by a new Act.

(b) Does not arise.

Voluntary Disclosure of Concealed Income

*468. **Shri Bhagwat Jha Azad:**
Shri M. L. Dwivedi:
Shri S. C. Samanta:
Shri Subodh Hansda:
Shri P. C. Borooah:
Shrimati Savitri Nigam:

Will the Minister of **Finance** be pleased to state:

(a) whether the scheme of voluntary disclosure of concealed income has been a success; and

(b) the amount so far disclosed under this scheme?

The Minister of State in the Ministry of Finance (Shri B. R. Bhagat): (a) The scheme has not been as productive as was expected.

(b) An amount of Rs. 27·26 crores has been disclosed upto the end of February, 1966, according to information so far available.

Cut in Imports Under PL 480

*469. **Shri Vishwa Nath Pandey:**
Shri Dhuleshwar Meena:
Shri Ramachandra Ulaka:

Will the Minister of **Finance** be pleased to refer to the reply given to Starred Question No. 623 on the 2nd December, 1965 and state:

(a) whether Government have since taken a decision on the proposal to cut down the imports of certain commodities other than foodgrains under PL 480;

(b) if so, the details and the basis thereof; and

(c) its repercussion on the Indian economy?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) It has been decided to consider proposals for each commodity individually on merits when the need for import arises.

(b) and (c). Do not arise.

Forged currency notes in Circulation in Delhi

*470. **Shri D. C. Sharma:**
Shrimati Sivitri Nigam:
Shri Kajrolkar:

Will the Minister of **Finance** be pleased to state:

(a) whether it is a fact that forged 100 and 10 rupee currency notes have been in circulation in Delhi for some time;

(b) if so, the number of cases detected so far; and

(c) the action taken to check their circulation?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) and (b). The Delhi Police detected 57 cases of forged currency notes of the denomination of Rs. 100 and one case of Rs. 10/- during the period from 1st January, 1965 to 31st January, 1966.

(c) The notes are taken over by police for investigation and are not allowed to be circulated further. The Delhi Police have arrested 15 persons in connection with the above and with their arrest a notorious gang of utterers of forged notes seems to have been liquidated in Delhi.

Request to International Monetary Fund and World Bank for Assistance

*471. **Shri Narayan Reddy:**
Shri Rameshwar Tantia:

Will the Minister of **Finance** be pleased to state:

(a) whether it is a fact that India have approached International Mone-

tary Fund and the World Bank to assist her to tide over its present balance of payment difficulties;

(b) whether any Delegation visited U.S.A. to explain India's position in this regard; and

(c) if so, the nature of response?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) to (c). Discussions have been taking place between the specified International Institutions and the Government of India as a continuous process of consultation and consideration of the economic situation and foreign exchange needs. These discussions are regarded as confidential by both parties. Further, it is not in the public interest to disclose the nature of the discussion or of the response.

U.N. Team Report on Family Planning

***472. Shri Vishwa Nath Pandey:**
Shri Dhuleshwar Meena:
Shri Ramachandra Ulaka:

Will the Minister of **Health and Family Planning** be pleased to refer to the reply given to Starred Question No. 621 on the 2nd December, 1965 regarding the U.N. Team Report on family planning and state:

(a) whether Government have received the final Report from the U.N. Team;

(b) if so, the main features of the Report; and

(c) the reaction of Government thereto?

The Minister of Health and Family Planning (Dr. Sushila Nayar): (a) No, Sir.

(b) and (c). Do not arise.

Indraprastha Power Station

***473. Shri D. C. Sharma:**
Shri Onkar Lal Berwa:

Will the Minister of **Irrigation and Power** be pleased to state:

(a) whether it is a fact that an American firm was given a contract to install three turbo-generators at the Indraprastha Power Station, New Delhi, when Indian firms could do the work at lesser cost;

(b) whether any inquiries have been made into the matter;

(c) if so, with what results; and

(d) the action taken on the findings of inquiry into the matter?

The Minister of Irrigation and Power (Shri Fakhruddin Ahmed): (a) to (d). Three turbo-generator sets of 50/62.5 MW capacity each for the Indraprastha Power Station Extension Project were purchased from General Electric Company, U.S.A. under the bulk purchase contract placed on them by the Government of India. The work of erection of these three turbo-generators was awarded to M/S International General Electric Co. (India) Private Limited after negotiations at a total price of $ 4,06,060 plus Rs. 10,54,730.

2. Erection of turbo-generators is a specialised work. Practically in all thermal Power Stations, except where the machines are supplied by USSR, the work of erection of turbo-generators and boilers has been entrusted to the respective suppliers of the equipment together with commissioning of the equipment. Identical machines supplies to Talcher and Paras are being erected by the suppliers. The price at which this contract was entered into was considered reasonable by the technical experts.

Even if erection work was entrusted to some other agency, the supervision of erection work has to be entrusted to the supplier for ensuring commissioning and performance guarantee involving a payment of Rs. 8 to 10 lakhs in foreign exchange.

3. The sub-committee appointed by the Delhi Thermal Project Control Board for the purpose of examining the award of the contract for erection went into all these aspects. With a

view to ensuring satisfactory and quick completion of the job, it was finally considered desirable to follow the existing practice and make the supplier of the equipment responsible for its erection also. Thus the decision to award the work relating to erection of turbo-generators to IGE (India) was taken after a careful consideration of all the aspects of the case including technical and financial, and had the approval of the Delhi Thermal Project Control Board and Delhi Electric Supply Committee.

In view of the above, the points raised in parts (b), (c) and (d) of the question do not arise.

Raid on Astrologer's House in Delhi

*474. **Shri Madhu Limaye:**
Shri S. M. Banerjee:
Shri Warior:
Shri Manoharan:
Shri Vasudevan Nair:
Shri H. N. Mukerjee:
Shri Harj Vishnu Kamath:
Shri Daji:

Will the Minister of **Finance** be pleased to refer to the reply given to Starred Question No. 180 on the 24th February, 1966 regarding raid on astrologer's house in Delhi and state:

(a) whether the astrologer referred to therein or his sons or all of them have any relations, dealings or association with the firms of M/s Chamanlal Brothers in Delhi and Bombay; and

(b) whether the offices and/or residences of firms of M/s Chamanlal Brothers and their associates had been raided by any Government investigating agency in connection with the drive against un-accounted money or foreign exchange violations?

The Minister of State in the Ministry of Finance (Shri B. R. Bhagat): (a) The astrologer referred to is presumably Shri L. Haveli Ram. It is understood that one of his sons, Shri Kewal Ram was an employee of M/s. Chamanlal Brothers.

(b) The offices of Messrs Chamanlal Brothers as well as those of Chamanlal Overseas Ltd., Steel (Pvt.) Ltd., and the residence of Shri Naraindass, father-in-law of Shri Chamanlal were searched in Delhi. The business premises of M/s Ruby Industries and M/s Joshi Traders in Delhi occupied by Shri Kewal Joshi, an employee of Chamanlal Brothers were also searched. In addition, the business premises in Bombay and Cochin of certain firms associated with Chamanlal Brothers were also searched.

Income-Tax Rebate to Cashewnut Export Industry

1851. **Shri A. K. Gopalan:** Will the Minister of **Finance** be pleased to state:

(a) whether it is a fact that the Southern India Chamber of Commerce has requested the Central Board of Direct Taxes for the extension of income-tax rebate to the Cashewnut export industry; and

(b) if so, Government's reaction thereto?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) Yes, Sir.

(b) The Southern India Chamber of Commerce has been informed that the rebate of tax available under the annual Finance Acts to manufacturers of specified commodities for export will be available also to persons who convert raw cashewnuts into cashew kernels for export.

Ballemiela Project

1852. **Shri Ram Harkh Yadav:**
Shri Murli Manohar:

Will the Minister of **Irrigation and Power** be pleased to state the total expenditure involved in the Ballemiela Project and when it is likely to start functioning?

The Minister of Irrigation and Power (Shri Fakhruddin Ahmed): The Balemiela Hydro-electric Project is estimated to involve a total outlay of Rs. 45.83 crores.

The Project is expected to start supplying power from about the end of 1968 when the 1st generating unit is expected to be commissioned. All the works under this project are expected to be completed by March, 1971.

Contraband Watches seized near Rajkot

1853. Shri Ram Harkh Yadav: Will the Minister of **Finance** be pleased to state:

(a) whether 800 contraband watches worth about Rs. 2 lakhs have been seized in Jodia Town, 50 miles from Rajkot by Excise officials in the last week of January, 1966; and

(b) if so, the details of the seizure and smuggling?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) and (b). Between 21st January, 1966 and 6th February, 1966, the Police authorities in collaboration with the Customs staff, seized 1497 watches valued at about Rs. 1,40,000 in the village Jodiya near Rajkot. Some other contraband goods such as mechanical lighters, lighter flints and cigarettes valued at about Rs. 22,300 have also been seized Investigations made so far indicate that these goods were smuggled from Dubai in the Persian Gulf in a vessel which has also since been seized. Five persons have been arrested in this connection. Further investigations are in progress.

Treatment of Bites by Scorpion

1854. Shri Ram Harkh Yadav: Will the Minister of **Health and Family Planning** be pleased to state:

(a) whether Israel has developed a highly efficacious serum against the bite of yellow scorpion and snakes;

(b) if so, whether Government have experimented with the serum for use in India; and

(c) if so, with what result?

The Minister of Health and Family Planning (Dr. Sushila Nayar): (a) Government have no information on the subject.

(b) and (c). Do not arise.

Manufacture of Sluice and Lock Gates

1855. Shri Sidheshwar Prasad: Will the Minister of **Irrigation and Power** be pleased to refer to the reply given to Unstarred Question No. 1316 on the 26th November, 1965 and state:

(a) the progress made in the manufacture of sluice and lock gates in the country;

(b) the progress made in the designing and manufacture of high head gates; and

(c) the approximate internal and foreign demands for the next five years?

The Minister of Irrigation and Power (Shri Aakhruddin Ahmed): (a) Sluice gates with low heads and lock gates are already being manufactured in some of the existing workshops in the country.

(b) A number of workshops are interested in the manufacture of high head gates, if detailed designs and drawings are made available to them. A proposal for setting up a Gates Design Cell in the Central Water and Power Commission to prepare such designs and drawings, is under consideration.

(c) The total demand for gates for continuing schemes of the Third Plan and for schemes proposed to be taken up during the Fourth Plan is estimated at about 77,000 tonnes out of which 25,000 tonnes will be for high head gates. It is too early to assess the foreign demand for these gates.

Agricultural Incomes

1856. Shri Sidheshwar Prasad: Will the Minister of **Finance** be pleased to state:

(a) whether any attempt has been made by the Central Statistical Organisation, or the Reserve Bank of India or any other Government Organisation to study the fluctuations in the real agricultual incomes;

(b) if so, for which period, on what basis and what are the findings; and

(c) if not, the reasons therefor?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) to (c). Estimates of changes in the net output of agriculture (*i.e.* incomes originating in agriculture) are compiled by the Central Statistical Organisation, in both current and constant prices, as a part of its annual estimates of national income. The basis of estimation is indicated in the Final Report of the National Income Committee. A statement showing changes in the net output of agriculture in in real terms (*i.e.* at 1948-49 prices) during the years 1950-51 to 1964-65 is laid on the Table of the House. [*Placed in Library. See* No. LT-5735/66].

According to a study entitled "Distribution of Income in the Indian Economy: 1953-54 to 1956-67" published in September, 1962 Reserve Bank Bulletin, the farm household as a group improved its total income by 3.5 per cent during 1953-54 to 1956-57. Within the farm household group the high income group suffered a decline of 8 per cent in its total income and 4 per cent in the income per household, while the low income group improved its position both in total income and per household income by 5 per cent and 2 per cent respectively.

राष्ट्रीय आय

1857. श्री सिद्धेश्वर प्रसाद : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या निर्धन वर्गों में राष्ट्रीय आय के पुनर्वितरण के सम्बन्ध में आंकड़े एकत्रित करने का कोई प्रयत्न किया गया है;

(ख) यदि हां, तो किस तारीख से तथा उसका ब्यौरा क्या है;

(ग) यदि नहीं, तो उसके क्या कारण हैं; और

(घ) केन्द्रीय सरकार ने वर्ष 1950 से 1965 तक प्रति वर्ष समाज कल्याण कार्यों पर राष्ट्रीय आय में से वस्तुतः कितना प्रतिशत खर्च किया है ?

वित्त मंत्री (श्री शचीन्द्र चौधरी) : (क) से (ग). जी हां। योजना आयोग द्वारा बनायी गयी, आय के वितरण और रहन-सहन के स्तरों से सम्बन्धित समिति के विचारार्थ विषयों में एक विषय, आय और सम्पत्ति के विवरण की हाल की प्रवृत्तियों की जांच करना भी था। समिति की रिपोर्ट के पहले भाग में, जो 29 अप्रैल, 1964 को संसद् की दोनों सभाओं की मेज पर रख दिया गया था, उस विचारार्थ विषय की चर्चा की गयी है। लोक-सभा में 9 दिसम्बर, 1965 को दिये गये, तारांकित प्रश्न संख्या 745 के उत्तर में बनाये गये कारणों से समिति ने अपनी रिपोर्ट का दूसरा भाग अभी तक प्रस्तुत नहीं किया है।

(घ) एक विवरण, जिसमें 1950–51 से 1965–66 तक के वर्षों की राष्ट्रीय आय के प्रतिशत के रूप में, केन्द्रीय सरकार का विकास-सम्बन्धी व्यय दिखाया गया है, सभा पटल पर रखा गया है। [पुस्तकालय में रखा गया, देखिय संख्या एल/टी—5736/-66]

Indo-Commercial Bank

1858. Shri M. P. Swamy: Will the Minister of **Finance** be pleased to state:

(a) the percentage of deposit amounts which still remain unpaid to the depositors of the erstwhile Indo-Commercial Bank (now merged with the Punjab National Bank);

(b) whether the entire balance amount will be paid back in full to the depositors;

(c) if so, when the balance will be paid; and

(d) whether any action was taken against the directors of the Indo-Commercial Bank, for mismanaging the affairs of the Bank?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) 10.3 per cent.

(b) and (c). The transferee bank is taking adequate steps for protecting the interests of the depositors and for ensuring that the amounts still due to them will be paid in full. But it is not possible to anticipate at this stage when further payments will be made.

(d) A sum of Rs. 15 lakhs has been recovered on an *ad hoc* basis from the ex-managing director. The question of recovering the advances, the repayment of which has already been guaranteed by him or by his associates and of obtaining, if necessary, a comprehensive guarantee for ensuring the payment of the amounts which are still due to the depositors is under consideration.

Government Offices in Agra

1859. Shri S. N. Chaturvedi: Will the Minister of **Works, Housing and Urban Development** be pleased to state:

(a) the names of the Central Government Offices located in Agra in private rented buildings and the rent paid in each case;

(b) whether Government have or had any intention of constructing their own buildings for these Offices, for example, Income-Tax Office; and

(c) if so, the difficulty in giving effect to it?

The Minister of Works, Housing and Urban Development (Shri Mehr Chand Khanna): (a) to (c). The information is being collected and will be laid on the table of the House.

Government Offices in Agra

1860. Shri S. N. Chaturvedi: Will the Minister of **Works, Housing and Urban Development** be pleased to state:

(a) whether there is any proposal to move some Central Government Offices from New Delhi to Agra;

(b) if so, which and when; and

(c) whether accommodation has been found for them?

The Minister of Works, Housing and Urban Development (Shri Mehr Chand Khanna): (a) No.

(b) and (c). Do not arise.

Income Tax Officers Class II

1861. Shri D. C. Sharma: Will the Minister of **Finance** be pleased to state:

(a) the number of applications received by the U.P.S.C. for the Income Tax Officers' (Class II) Examination to be held in May, 1966;

(b) whether it is a fact that the marks obtained by the candidates in this examination will only be qualifying in nature for the purpose of selecting them for interview and these will not be taken into account for final selection;

(c) if so, the considerations necessitating a deviation from the conventional practice of counting the marks obtained by a candidate in written examination plus interview marks for final selection as being done in the case of appointment to the I.A.S. Section Officers, Assistants and other similar cadres; and

(d) whether Government have received any representations in this connection and the action taken thereon?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) The number of applications received up-to-date is 32129.

(b) The test will be qualifying in nature. The candidates who attain the minimum standard, to be decided by the U.P.S.C., will be called for interview.

(c) A written test as an aid to selection is not a deviation from the past practice of the Commission.

(d) No, Sir.

Development of Suraj Kund

1862. Shri Vishram Prasad:
Shri Bagri:
Dr. Ram Manohar Lohia:
Shri Yashpal Singh:

Will the Minister of **Health and Family Planning** be pleased to state:

(a) whether it is a fact that Suraj Kund, a historical tank near Gurgaon, would be developed as a tourist and health resort;

(b) if so, the details thereof and the total expenditure to be incurred thereon; and

(c) when the work is likely to commence?

The Minister of Health and Family Planning (Dr. Sushila Nayar): (a) The area round Suraj Kund is being developed as a tourist attraction. The question of developing the Kund into a health resort is under consideration.

(b) and (c). An expenditure of Rs. 2,35,560 has so far been incurred on the construction of a cafeteria, pavilions for picknickers, car park, staff quarters and provision of water supply and electricity.

A provision of Rs. 1,50,000 has been made by the Government of Punjab in the IV Plan for the preservation of environs, aforestation, improving the holding capacity of the tank and the nearby rain-fed lake, provision of recreational facilities like boating in the lake, turning the forest around the lake into a bird sanctury and provision of facilities for fishing. The Government of Punjab have stated that the work is likely to commence in 1966-67.

Checking of Inflation

1863. Shri Prakash Vir Shastri:
Shri Hukam Chand Kachhavaiya:
Shri Jagdev Singh Siddhanti:

Will the Minister of **Finance** be pleased to state:

(a) the progress achieved in checking the inflation;

(b) when it is likely to be brought under full control; and

(c) whether the efforts made so far have produced any effect on rising prices?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) to (c). Although prices have shown a measure of stability in recent months, the underlying situation continues to be difficult. It is Government's policy to increase production, augment supplies to the extent feasible through imports, ensure equitable distribution

of essential commodities through rationing and specific price and distribution controls, and to check demand through fiscal and monetary restraints.

Relief to Pensioners

1864. Shri S. M. Banerjee:
Shri P. B. Chakraverti:

Will the Minister of **Finance** be pleased to state:

(a) whether Government Pensioners' Association has recently represented to Government for a better deal; and

(b) if so, what are their demands and the steps taken by Government to meet the same?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) Yes, Sir. Government have been receiving representations from the various Government Pensioners' Associations for a better deal.

(b) The demands put forth by the Government Pensioners' Associations relate mainly to (i) Grant of dearness relief to pensioners on par with serving personnel, (ii) Restoration of commuted portion of pension to pensioners who outlive the commutation period, (iii) Income-tax relief to pensioners and (iv) Introduction of a Minimum Pensions Bill. The demands have been carefully considered by Government from time to time but it has not been found possible to accede to them.

Drinking Water Board

1865. Dr. L. M. Singhvi: Will the Minister of **Health and Family Planning** be pleased to state:

(a) whether the drinking water Board has been reconstituted or dissolved; and

(b) if so, the details thereof?

The Minister of Health and Family Planning (Dr. Sushila Nayar): (a) and (b). The Drinking Water Board has not been reconstituted or dissolved. Changes have, however, been made in the Chairmanship and Membership of the Board from time to time as the individuals concerned could not continue to serve on the Board owing to changes in their spheres of duties.

The original and present composition of the Board are as indicated below:

Original Composition	Present composition
1. Shri Balwant Raj Mehta *Chairman.*	Shri D. P. Karmarkar, M.P., *Chairman.*
2. Dr. K. L. Rao, M.P., *(Member)*	Shri R. R. Morarka, M.P., *(Member)*
3. Shri R. R. Morarka, M.P. *(Member)*	Shri Gian Prakash, Joint Secretary, Ministry of Health and Family Planning. *(Member)*
4. Shri G. Mukherji, Joint Secretary, Ministry of Health. *(Member)*	Shri N. V. Modak, Consulting Public Health Engineer, Bombay, *(Member)*
5. Shri N. V. Modak, Consulting Public Health Engineer, Bombay. *(Member)*	Shri M. P. Dube, M.L.A. Madhya Pradesh. *(Member)*

Original Composition	Present Composition
6. Shri S. Rajagopalan, D.D.G. (PHE), Dte. G.H.S. *(Member)*	Shri S. Rajagopalan Deputy Director General (PHE) Dte. G H.S. *Member-Secretary.*
7. Shri B. S. Srikantiah, Deputy Secretary, Ministry of Health. *Member-Secretary.*	

U.S. Aid

1866. Shri Madhu Limaye:
Shri Kishen Pattnayak:

Will the Minister of **Finance** be pleased to state:

(a) whether Government have received any report from U.S. Agency for International Development in which stress has been laid on the consolidation and fuller utilisation of the existing industrial capacity expansion; and

(b) if so, the reaction of Government thereto?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) A preliminary study has been made in the U.S. Agency for International Development on the effects of import liberalisation on increased utilisation of industrial capacity in India.

(b) This is an internal study made by the A.I.D. and Government has no specific views to express thereon.

Electricity Supply to Rural Areas

1867. Shri Madhu Limaye:
Shri Kishen Pattnayak:
Shri Jagdev Singh Siddhanti:

Will the Minister of **Irrigation and Power** be pleased to state:

(a) whether Government have made any analysis of the utilisation of the electricity supplied to rural areas;

(b) how much of the total electricity supplied is used for domestic lighting etc. in towns, kasbas and villages with a population of 2000 or less, how much for irrigation; how much for small and cottage industries (in percentage and absolutely); and

(c) the steps Government propose to take to extend electricity to newer rural areas and to stimulate their use for the purposes of irrigation and small and cottage industries?

The Minister of Irrigation and Power (Shri Fakhruddin Ahmed): (a) and (b). Most of the State Electricity Boards do not maintain separate data in respect of electricity consumed in localities with a population of 2,000 and less. A statement showing the electricity sales in the rural areas as far as available with the various State Electricity Boards is laid on the Table of the House. [*Placed in Library. See* No. LT-5737/66].

(c) As a measure of Central Assistance loans are being given for rural electrification at 5½ per cent., in respect of which only interest is payable during the first five years and thereafter principal plus interest are payable in 20 annual equated instalments.

2. To ensure active participation of rural population with electrification, a scheme of establishing rural electricity Co-operatives on an experimental measure is under consideration. Various State Electricity Boards have been requested to earmark certain areas for the purpose.

3. In accordance with the recommendations of the conference of Chairman of Electricity Boards held in November. 1965, State Governments/Electricity Boards have been requested to take the following steps with a view

to encouraging agriculturists to use electricity for pumping purposes:

(i) Some of the Boards take a long time in sanctioning electricity connections for agricultural uses. A time limit should be set by the Boards for giving such connections so that the agriculturists can get the benefit of pumping in the cultivation season;

(ii) during the period when there is no water in the well or during rainy season when water from the well is not required for irrigation purposes, minimum consumption guarantee may not be insisted upon from the agricultural consumers;

(iii) in certain States, 'No objection' certificate has to be obtained by agricultural consumers from a number of authorities before they are able to get electricity connections. Ways and means of cutting down these delays to eliminate undue hardship to the agricultural consumers should be considered;

(iv) no electricity duty should be levied on consumption of electricity for agricultural uses.

4. With a view to securing a more uniform pattern, the following simplifications and liberalisation of terms and conditions for the supply of electricity to agricultural consumers have been recommended for consideration of the States:

(i) Minimum consumption guarantee may be fixed at a maximum rate of Rs. 35 per connected horse power per annum;

(ii) The cost of distribution lines should not be charged to the agricultural consumers at all;

(iii) the cost of the service lines beyond 100 ft. may be recovered by the Board from the agricultural consumers instead of lum sum on 60 monthly instalments without interest;

(iv) security deposit equivalent to two months' average consumption may be accepted as the standard pattern.

5. In order to enable the average agriculturist to take to greater use of electricity for irrigation purposes, it has been decided to subsidise agricultural rates wherever it is more than 12 paise per unit so that the agriculturists do not have to pay more than this rate and the Boards are also not incur a loss.

6. The pattern of Central Assistance for subsidising the capital cost of pump sets have also been further liberalised to ensure that all private or co-operative lift irrigation schemes such as pump sets, tubewells, filter points, etc. will be eligible for subsidy, ranging from 25 per cent to 50 per cent the subsidy being shared equally between the Centre and the States.

Multi-Storeyed Garage in New Delhi

1868. **Shri Yashpal Singh:**
Shri Bagri:
Shri Vishram Prasad:
Dr. Ram Manohar Lohia:
Shri Kishen Pattnayak:
Shri Utiya:

Will the Minister of **Health and Family Planning** be pleased to refer to the reply given to Unstarred Question No. 2141 on the 9th December, 1965 regarding the multi-storeyed garage in New Delhi and state the progress made in this regard and when it is likely to be ready?

The Minister of Health and Family Planning (Dr. Sushila Nayar): The plans are ready and the Delhi Administration to whom a request for allotment of funds was made by the New Delhi Municipal Committee are considering the matter.

Research in Birth Control

1869. Shri Yashpal Singh:
Shri Bagri:
Shri Vishram Prasad:
Dr. Ram Manohar Lohia:
Shri Utiya:
Shri Kishen Pattnayak:

Will the Minister of **Health and Family Planning** be pleased to refer to the reply given to Unstarred Question No. 2152 on the 9th December, 1965 regarding Research in Birth Control and state:

(a) whether research has been conducted on the efficacy of the flower called "Plasu" as a drug for birth control;

(b) if so, the details of the research and how far it has proved effective for birth control; and

(c) whether Government propose to grow Plasu flower in other States in the event of its proved efficacy?

The Minister of Health and Family Planning (Dr. Sushila Nayar): (a) and (b). Not so far. The State Government of Kerala have reported that their Director of Indigenous Medicine proposes to do some research in the efficacy of this 'flower' in birth control during the year 1966-67. The Director has also been instructed by the State Government to send samples of the flower to the Indian Council of Medical Research.

(c) Does not arise at present.

Conference of Building Societies

1870. Shri Yashpal Singh:
Shri Bagri:
Shri Vishram Prasad:
Dr. Ram Manohar Lohia:
Shri Kishen Pattnayak:
Shri Utiya:

Will the Minister of **Works, Housing and Urban Development** be pleased to refer to the reply given to Unstarred Question No. 2159 on the 9th December, 1965 regarding the Conference of Building Societies and state;

(a) whether the proceedings of the Conference have since been received by Government;

(b) if so, the details of the proceedings; and

(c) the reaction of Government thereto?

The Minister of Works, Housing and Urban Development (Shri Mehr Chand Khanna): (a) No.

(b) and (c). Does not arise.

बौनों की चिकित्सा

1871. श्री द्वा० ना० तिवारी: क्या स्वास्थ्य तथा परिवार नियोजन मंत्री यह बताने की कृपा करेंगी कि :

(क) क्या सरकार को पता है कि बौनों की चिकित्सा के लिए स्वीडन में एक प्रणाली निकाली गई है जो कारगर सिद्ध हो रही है ;

(ख) क्या इस बारे में सरकार ने पूछ-ताछ की है और भारत में बौनों की चिकित्सा के लिए उस का विचार इस प्रणाली को उपयोग में लाने का है ; और

(ग) यदि हां, तो इस दिशा में क्या कार्यवाही की गई है ?

स्वास्थ्य तथा परिवार नियोजन मंत्री (डा० सुशीला नायर): (क) बतलाया जाता है कि स्वीडन में बौनों का इलाज मानव पोष ग्रन्थि के सत्वों द्वारा कुछ सफलता के साथ किया गया है ।

(ख) और (ग). इस औषधि के उपलब्ध न होने और इसकी भारी कीमत के कारण फिलहाल किसी प्रकार का परीक्षण करना कठिन है ।

एक पैसे के सिक्के

1872. **श्री बड़े** : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि रिजर्व बैंक आफ इंडिया ने 1 जनवरी, 1966 से ऐल्युमिनियम तथा मैग्नीशियम धातुओं के बने हुए एक पैसे के नये सिक्के किन कारणों से जारी किये हैं?

वित्त मंत्री (श्री शचीन्द्र चौधरी): सरकार ने ऐल्यूमिनियम और मैग्नीशियम मिली धातु से बने एक पैसे के नये सिक्के जारी करने का फैसला इस लिये किया कि एक पैसे के सिक्के बनाने के लिए जो तांबा पहले इस्तेमाल किया जाता था उसका आयात कम किया जा सके।

Backward Areas

1873. **Shri Hem Raj:**
Shri Daljit Singh:

Will the Minister of **Planning** be pleased to refer to the reply given to Unstarred Question No. 410 on the 11th November, 1965 and state:

(a) whether the replies of the State Governments regarding Backward Areas have since been sifted; and

(b) if so, the outcome thereof?

The Minister of Planning (Shri Asoka Mehta): (a) and (b). The Planning Commission has considered the replies received from the State Governments, and it is proposed to ask the State Governments to keep the needs of the more backward areas in view, at the time of drawing up the detailed programmes of their Fourth Five Year Plan.

Gold Bonds Scheme

1874. **Shri Karni Singhji:** Will the Minister of **Finance** be pleased to state:

(a) whether it is proposed to extend to the contributors under the Gold Bonds Scheme of 1962, the same concessions and facilities as are being enjoyed by the contributors under the recent Gold Bonds Scheme so as to bring the former on par with the latter;

(b) if so, the details thereof; and

(c) if not, why not?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) No, Sir.

(b) Does not arise.

(c) The reasons are:

(1) it is not usual to revise the terms of past loans every time a new loan is floated;

(2) expression of the value of Gold Bonds in terms of weight of gold of .995 fineness would present difficulties;

(3) revision of terms and conditions of earlier Gold Bonds would result in retrospective revision of interest rates and consequently tax assessments, leading to administrative difficulties; and

(4) the extension of tax concessions in respect of Gift Tax and Estate Duty which are of restricted application, to the earlier bond holders would present difficulties regarding determination of who was the initial subscriber for the purpose of the Gift Tax and in ascertaining which of the successive holders, if any, of the Bonds would be entitled to Estate Duty exemption.

Smuggling of Watches

1875. **Shrimati Maimoona Sultan:** Will the Minister of **Finance** be pleased to state:

(a) whether the Customs authorities recently seized over 500 smuggled wrist watches from locker in a safe deposit vault in Bombay;

(b) if so, whether it is a fact that the smuggling of watches into the country is still rampant and Government's precise estimate in this regard; and

(c) the steps taken by Government to stop smuggling?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) Yes, Sir; 517 wrist watches were seized by the Bombay Customs officials from a safe deposit locker in a bank in Dongri, Bombay, on 2nd November, 1965.

(b) Smuggling of watches into India still exists. However, it is not possible to make a precise estimate in this regard.

(c) The following are the principal measures adopted to check smuggling:

(i) systematic rummaging of suspected vessels and aircrafts;

(ii) regular as well as surprise patrolling of vulnerable sections of coast line and land borders;

(iii) close follow-up of information;

(iv) imposition of heavy penalties under the Customs Act including confiscation of contraband;

(v) prosecution in proper cases;

(vi) setting up of a Directorate of Revenue Intelligence at the Centre to co-ordinate anti-smuggling activities of the various field organizations;

(vii) setting up of the Economic Offences Wing in the Central Bureau of Investigation to investigate economic offences; and

(viii) acquiring powers under the Customs Act, 1962 (52 of 1962) for—

(1) enhancing the term of imprisonment as a result of prosecution where the market price of goods seized is more than 1 lakh of rupees; and

(2) placing the burden of proof on the person from whom they are seized, that they are not smuggled goods, in respect of watches and other specified goods seized in the reasonable belief that they are smuggled goods.

Industrial Licensing Policy

1876. Shri Vishwa Nath Pandey: Shri Ramachandra Ulaka: Shri Dhuleshwar Meena:

Will the Minister of **Planning** be pleased to refer to the reply given to Starred Question No. 463 on the 25th November, 1965 and state:

(a) whether the Group set up by the National Planning Council to go into the question of Industrial licensing and regulation policy has since submitted its report;

(b) if so, the precise recommendations made; and

(c) Government's decision thereon?

The Minister of Planning (Shri Asoka Mehta): (a) to (c). The Study Group of the National Planning Council on Industry and Minerals is considering certain aspects of the industrial licensing and regulation policy. The Group has not yet come up with any specific recommendations.

Rural Industrial Projects in U.P.

1877. Shri Vishwa Nath Pandey: Will the Minister of **Planning** be pleased to state:

(a) the number of rural industrial projects functioning at present in Uttar Pradesh; and

(b) the financial assistance proposed to be given by the Central Government to that State for the purpose during 1966-67?

The Minister of Planning (Shri Asoka Mehta): (a) Five.

(b) The allocations for 1966-67 have not been finalised so far.

Family Planning Centres

1878. Shri Ramachandra Ulaka:
Shri Vishwa Nath Pandey:
Shri Dhuleshwar Meena:

Will the Minister of **Health and Family Planning** be pleased to state:

(a) the total number of family planning centres which have been opened in the various States and Union Territories in the year 1965-66 and proposed to be opened state-wise in the year 1966-67; and

(b) the total expenditure to be incurred thereon?

The Minister of Health and Family Planning (Dr. Sushila Nayar): (a) and (b). A statement containing the available information is laid on the Table of the House. [*Placed in Library. See* No. LT-5738/66].

Irrigation and Power Schemes in Punjab

1879. Shri Daljit Singh: Will the Minister of **Irrigation and Power** be pleased to state the number of irrigation and power schemes of the Punjab Government pending at present with the Central Government for sanction along with details in terms of money involved and the benefits likely to accrue therefrom?

The Minister of Irrigation and Power (Shri Fakhruddin Ahmed): A statement containing the requisite information is laid on the Table of the House. [*Placed in Library. See* No. LT-5738/66].

Housing Schemes of Punjab

1880. Shri Daljit Singh: Will the Minister of **Works, Housing and Urban Development** be pleased to state:

(a) the allocations made for the different Housing Schemes in the Punjab in 1964, 1965 and 1966; and

(b) the schemes so far executed?

The Minister of Works, Housing and Urban Development (Shri Mehr Chand Khanna): (a) and (b). A statement showing the amounts allocated during 1963-64, 1694-65 and 1965-66 under the various Housing Schemes being executed by the Punjab Government is laid on the Table of the House. [*Placed in Library. See* No. LT-5740/66].

चेचक उन्मूलन

1881. श्री हुकम चन्द कछवाय :
श्री बड़े :

क्या स्वास्थ्य तथा परिवार नियोजन मंत्री यह बताने की कृपा करेंगे कि :

(क) भारत में दिसम्बर, 1965 में कितने व्यक्तियों को चेचक हुई ;

(ख) कितने मामलों में रोगियों की मृत्यु हुई ; और

(ग) चेचक का उन्मूलन करने के लिये क्या उपाय किये गये हैं ?

स्वास्थ्य तथा परिवार नियोजन मंत्री (डा० सुशीला नायर) : (क) और (ख) : दिसम्बर 1965 में देश में हुई बतलाई गई चेचक की 2301 घटनाओं में से 632 मामलों में रोगियों की मृत्यु हुई ।

(ग) राष्ट्रीय चेचक उन्मूलन कार्यक्रम के अधीन सौ प्रतिशत आबादी को ढकने के उद्देश्य वाला एक सामूहिक टीका अभियान 1962 के अन्तिम तीन महीनों से चल रहा है । इस अभियान के अधीन देश भर में पर्यवेक्षण स्टाफ और चिकित्सा अधिकारियों के साथ 9120 वैक्सीनेटर काम कर

रहे हैं । मध्य वर्ष अनुमानित जन संख्या के 69.3 प्रतिशत को अब तक टीके लगाये जा चुके हैं । लोगों को टीके की जानकारी कराने के लिए तथा उन्हें टीका लगाने के लिए प्रेरित करने के लिए इस कार्यक्रम के अधीन स्वास्थ्य शिक्षा उपाय भी किये गये हैं । चेचक के संक्रमण को फैलने से रोकने के लिये प्रत्येगक रोगी के आस पास की जनसंख्या को टीका लगाने के उपाय का आश्रय लिया गया ।

विभिन्न बस्तियों में बिना टीका लगे व्यक्तियों को ढूंढ ढूंढ कर टीका लगाने के प्रयास किये जा रहे हैं । नवजात शिशुओं को निरन्तर टीके लगाने के काम पर बल दिया जा रहा है ।

Medical College at Sevagram

1882. Shri Yashpal Singh: Will the Minister of **Health and Family Planning** be pleased to refer to the reply given to Ustarred Question No. 1268 on the 25th November, 1965 regarding Medical College at Sevagram and State:

(a) whether the project report has since been considered by the Planning Commission; and

(b) if so, when the work on the project is likely to be started?

The Minister of Health and Family Planning (Dr. Sushila Nayar): (a) Yes, Sir.

(b) The matter is under consideration.

Pong Dam

1883. Shri Hem Raj: Will the Minister of **Irrigation and Power** be pleased to state:

(a) whether any final estimates have been made of the height of the Pong Dam;

(b) if so, the number of villages which will be submerged or ousted by its construction in the upper reaches of the river, its rivulets, khads or nallas with the names of the villages to be affected;

(c) what will be extent of its catchment area that will be protected along the bank of the Pong Dam Lake; and

(d) whether the Deragopipur bridge will be affected by it?

The Minister of Irrigation and Power (Shri Fakhruddin Ahmed): (a) Yes.

(b) 94 villages will be affected. A list of these villages is laid on the Table of the House. [*Placed in Library. See* No. LT-5741/66].

(c) The total catchment area of the River Beas above Pong Dam, in which soil conservation measures will be undertaken, where necessary, is 4850 sq. miles (12536 sq. kilometers).

(d) No.

Drinking Water Supply in Punjab Hilly Areas

1884. Shri Hem Raj: Will the Minister of **Health and Family Planning** be pleased to state:

(a) whether any survey has been made for the preparation of schemes for drinking water in the Punjab Hilly Areas and if so, of which districts; and

(b) what are the different schemes that are to be taken up during this year and which will be taken up during the Fourth Five Year Plan period?

The Minister of Health and Family Planning (Dr. Sushila Nayar): (a) Upto 31st January, 1966, survey had been completed in 8434 out of a total of 10573 scarcity villages in the Hilly areas of Punjab.

The districts covered are Kangra, Kulu, Gurdaspur, Simla, Hoshiarpur and Ambala.

(b) Work on 27 water supply schemes estimated to cost Rs. 90,86,166

has been taken in hand during 1965-66, in districts of Kangra, Kulu, Gurdaspur, Simla Hoshiarpur and Ambala.

Owing to the limitation of the available resources the State Government proposes to provide water supply in 180 villages only in the hilly areas of the State during the Fourth Five Year Plan.

Flood Control in Orissa

1885. Shri Dhuleshwar Meena:
Shri Ramachandra Ulaka:

Will the Minister of **Irrigation and Power** be pleased to state:

(a) the nature and extent of assistance given to the Orissa Government for the flood control schemes during 1965-66; and

(b) the names of the schemes for which the assistance was granted?

The Minister of Irrigation and Power (Shri Fakhruddin Ahmed): (a) A sum of Rs. 97 lakhs has been allocated for Central loan assistance to the Government of Orissa for their flood control programme during 1965-66.

(b) The Central assistance is not for any specific schemes, but for the programme of flood control and drainage works taken up by the State Government during the year consisting of a large number of schemes for consitruction of embankments, raising and strengthening of existing embankments, river training works, improvement of channels, etc.

Anti-Sea Erosion Measures in Orissa

1886. Shri Ramachandra Ulaka:
Shri Dhuleshwar Meena:

Will the Minister of **Irrigation and Power** be pleased to state:

(a) whether any anti-sea erosion measures have been taken near the sea-coast towns of Orissa during the Third Five Year Plan period so far; and

(b) if so, the details thereof?

The Minister of Irrigation and Power (Shri Fakhruddin Ahmed): (a) No.

(b) Does not arise.

Mahanadi Delta Irrigation Scheme

1887. Shri Ramachandra Ulaka:
Shri Dhuleshwar Meena:

Will the Minister of **Irrigation and Power** be pleased to refer to the reply given to Unstarred Question No. 884 on the 18th November, 1965 and state:

(a) whether the request of the Orissa Government for additional assistance to the extent of Rs. 80 lakhs for the Mahanadi Delta Irrigation Scheme has since been considered by the Central Government; and

(b) if so, the results thereof?

The Minister of Irrigation and Power (Shri Fakhruddin Ahmed): (a) and (b). Yes. An additional loan assistance of Rs. 80 lakhs has been sanctioned to the Government of Orissa, for accelerating the work on Mahanadi Delta Irrigation Scheme during the year 1965-66.

Rural Water Supply Schemes

1888. Shri Dhuleshwar Meena:
Shri Ramachandra Ulaka:

Will the Minister of **Health and Family Planning** be pleased to state:

(a) whether the Government of Rajasthan have submitted certain rural water supply schemes for approval during the current financial year;

(b) if so, the details thereof; and

(c) the decision of Government thereon?

The Minister of Health and Family Planning (Dr. Sushila Nayar): (a) 66 Rural Water Supply Schemes have been received from the Government of Rajasthan during the current financial year.

(b) and (c). A statement showing the names of the rural water supply schemes received from the Govern-

ment of Rajasthan with their estimated costs and the present position regarding their approval is laid on the Table of the House. [*Placed in Library. See* No. LT-5742/66].

Power Generation in Rajasthan

1889. Shri Dhuleshwar Meena:
Shri Ramachandra Ulaka:

Will the Minister of **Irrigation and Power** be pleased to state:

(a) the present capacity of Rajasthan for generating electricity;

(b) whether there is any proposal to increase the quantum of power in the State during 1966-67; and

(c) if so, the details thereof?

The Minister of Irrigation and Power (Shri Fakhruddin Ahmed): (a) The present installed generating capacity in Rajasthan is 217 MW, including its share capacity in Chambal and Bhakra Nangal Projects and one 10 MW Gas-turbine unit recently commissioned at Kotah.

(b) Yes.

(c) The increase in the power availability during 1966-67 is expected to be 110 MW as per details below:—

(i) Bhakra Right Bank (Rajasthan share)	— 36 MW
(ii) Gandhisagar 5th Unit (Rajasthan share)	— 11.5 MW
(iii) Satpura Thermal Station (Rajasthan share)	— 62.5 MW
(iv) Disel Sets	— 3 MW
Total	113 MW

Malaria and Filaria in Rajasthan

1890. Shri Dhuleshwar Meena:
Shri Ramachandra Ulaka:

Will the Minister of **Health and Family Planning** be pleased to state:

(a) the total financial assistance given to the State of Rajasthan during the Third Five Year Plan period so far to eradicate Malaria and Filaria in the State;

(b) whether the amount has been fully utilised; and

(c) the various steps so far taken to eradicate these diseases?

The Minister of Health and Family Planning (Dr. Sushila Nayar): (a) to (c). Under the Plan of Operations for the National Malaria Eradication Programme, the Government of India have undertaken to supply material and equipment like DDT, anti-malaria drugs, microscopes and microslides free of cost according to the prescribed scale to the State Governments and also to give grant-in-aid to cover the customs duty on imported material. Assistance in the form of material and equipment including the customs duty on the imported material, to the extent of Rs. 163.84 lakhs have been given so far to Rajasthan during the years 1961-62, 1962-63, 1963-64, 1964-65 and 1965-66.

In addition to the above, the Government of India have also agreed to bear 50 per cent of the expenditure on operational staff and other incidental charges which the State Governments have to meet over and above the expenditure which they were incurring on the normal Health programme in the area. In accordance with the prescribed accounting procedure, cash subsidy on the account is not, however, being paid to the State Governments for individual schemes but is given to them for a group of schemes. Information is, therefore, not available in regard to the actual amounts of cash subsidy drawn by the Government of Rajasthan for the National Malaria Eradication Programme uptill now through the ways and means advances from the Central Government.

The National Malaria Eradication Programme has been in operation in Rajasthan since 1958. 16.67 units are functioning in Rajasthan each designed to cover about a million population. Proportional case rate of malaria i.e.

percentage of malaria cases to all diseases which was reported to be 11.1 per cent in 1955-56 has been reduced to 0.05 per cent in 1964-65.

No scheme for eradication of Filaria is in operation in Rajasthan.

Price and Production of Gold

1891. Shri Badshah Gupta: Will the Minister of **Finance** be pleased to state:

(a) the International price of gold per Tola in terms of rupees and its price per Tola in Delhi, Karachi, Paris, London and Washington; and

(b) the names of the five countries of the world producing the largest quantities of gold annually in descending order?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) The international price of gold per tola in terms of Indian currency is Rs. 62.50. In Delhi, 14-carat gold was quoted at Rs. 98 per tola on March 4, 1966. In Karachi, pure gold is reported to have been quoted at about Rs. 122 per tola at the beginning of February 1966. In London, gold was quoted at the equivalent of Rs. 62.75 per tola on February 18, 1966. In Paris, it was quoted at the equivalent of Rs. 63.00 per tola at the close of December 1965. No quotation for Washington is available.

(b) In 1965, South Africa, Canada, U.S.A., Australia and Ghana were the five countries of the world producing largest quantities of gold in descending order.

Misappropriation of Foreign Exchange by a New Delhi Firm by Diversion of Black Pepper Consignment from Cochin

1892. Shri Shiv Charan Gupta: Will the Minister of **Finance** be pleased to state:

(a) whether it is a fact that the Government of Afghanistan have lodged a complaint against a New Delhi firm regarding the diversion of consignment of black-pepper from Cochin port to other countries with a view to misappropriate foreign exchange;

(b) if so, whether any investigations have been made and any black money unearthed from the said firm and other associates in Delhi and outside during the raids; and

(c) if so, the details of the case and the steps taken to check recurrence of such cases?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) No, Sir.

(b) and (c). On receipt of information from some other source that a consignment of black pepper shipped from Cochin to Afghanistan *via* Iran had been diverted enroute; enquiries were made and searches were conducted at Calcutta, Bombay, Amritsar and Cochin in this connection. The matter is still under investigation and further information may not be divulged now without prejudice to public interest.

To safeguard against such diversion, the R.B.I. takes a guarantee from the exporter for the production of documentary proof that the goods have reached Afghanistan.

Textile Factory in Tripura

1893. Shri Dasaratha Deb: Will the Minister of **Planning** be pleased to state:

(a) whether any representation has been received from Tripura Government asking for grants for the setting up of a textile factory in Tripura; and

(b) if so, the reaction of Government thereto?

The Minister of Planning (Shri Asoka Mehta): (a) and (b). The Tripura Government have made a proposal for participation in the share capital of a spinning mill to be esta-

lished in the private sector in Tripura. The proposal has been accepted in principle and is included in the Annual Plan of Tripura for 1966-67. The participation by the Tripura Government in the textile mill is envisaged tentatively at Rs. 20 lakhs.

Development Schemes in Delhi

1894. **Shri Shiv Charan Gupta:** Will the Minister of **Works, Housing and Urban Development** be pleased to state:

(a) whether the Delhi Development Authority has prepared any development or redevelopment schemes for Nabi Karim, Qadam Sharif and Motia Khan in Delhi;

(b) if so, the details thereof; and

(c) when the schemes are likely to be started and completed?

The Minister of Works, Housing and Urban Development (Shri Mehr Chand Khanna): (a) The Delhi Development Authority has drafted a Zonal Development Plan for Nabi Karim and Qadam Sharif and has published it for inviting public objections. The Zonal Development Plan for Motia Khan is being drafted.

(b) Detailed plans for these areas will be prepared by the Authority only after the draft Zonal Development Plans have undergone all the formalities and are approved by the Government.

(c) Execution of the schemes in these areas is likely to take considerable time and effort as there is heavy squatting on the land.

Medical Herb for Cancer

1895. **Shri M. Rampure:** Will the Minister of **Health and Family Planning** be pleased to state:

(a) whether Government are aware that a research has been made by the Principal, Ayurvedic College, Begusarai (Bihar), which has shown that Lajwanti, a medical herb is capable of curing Cancer; and

(b) whether Government have put the herb to further tests to assess its efficacy?

The Minister of Health and Family Planning (Dr. Sushila Nayar): (a) and (b). The claims made by the Principal Ayurvedic College, Begusarai regarding the medical herb Lajwanti for curing Cancer are under examination.

British Leprosy Relief Association

1896. **Shri M. Rampure:** Will the Minister of **Health and Family Planning** be pleased to state:

(a) whether the British Leprosy Relief Association have drawn up a scheme for eradication of the leprosy in some countries including India; and

(b) if so, the details of the programme that had been envisaged by the Association for India?

The Minister of Health and Family Planning (Dr. Sushila Nayar): (a) and (b). The Government of India have received no information with regard to the scheme said to have been drawn by the British Leprosy Relief Association, for the eradication of leprosy in some countries including India.

गुजरात द्वारा राजस्थान को बिजली की सप्लाई

1897. **श्री ओंकार लाल बेरवा :** क्या सिंचाई और विद्युत मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या गुजरात द्वारा राजस्थान को बिजली दिये जाने की कोई सम्भावना है ;

(ख) यदि हां, तो ब्यौरा क्या ;

(ग) कितनी तथा किस आधार पर बिजली दी जायेगी ; और

(घ) क्या व्यवस्था की गई है, तथा इस काम पर कितनी राशि खर्च आयेगी ?

सिंचाई और विद्युत मंत्री (श्री फखरुद्दीन अहमद) : (क) जी हां ।

(ख) 1966 में ।

(ग) 2 मैगावाट, गुजरात बिजली बोर्ड को साधारण टैरिफ दरों पर ।

(घ) प्रस्ताव यह है कि गुजरात में पालमपुर के 33 के० वी० उप-केन्द्र से बिजली राजस्थान में मण्डर से होते हुए एक 51 मील लम्बे 33 के० वी० पारेषण पथ द्वारा रानीवारा ले जाई जाए । इस स्कीम में 36 लाख रुपयों की अनुमानित लागत पर राजस्थान ने 900 तलवर्ती कूओं को बिजली देने के लिए 33/11/33/11 के० वी० के 4 उपकेन्द्रों और 11 के० वी० के 25 मील लम्बे पथ का प्रबन्ध है ।

Collection of Gold by Political Parties

1896. Shri Dharmalingam: Will the Minister of **Finance** be pleased to state:

(a) whether the leaders of the various political parties also collected gold for the National Defence Gold Bonds, 1980, recently on behalf of Government; and

(b) if so, the amount of gold with value collected by them and given to Government party-wise?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) Government has no information about any collections made by the leaders of political parties.

(b) Does not arise.

Anti-T.B. Measures in Orissa

1899. Shri Ramachandra Ulaka: Shri Dhuleshwar Meena:

Will the Minister of **Health and Family Planning** be pleased to state:

(a) the amount so far given to Orissa for anti-T.B. measures during the Third Five Year Plan period so far; and

(b) the items on which it was spent?

The Minister of Health and Family Planning (Dr. Sushila Nayar): (a) and (b). The Government of India assists the State Governments in respect of the following anti-T. B. schemes:

1. B.C.G. Vaccination Campaign;
2. Establishment of T. B. Clinics;
3. Establishment of T. B. Demonstration and Training Centres;
4. Establishment of Mobile X-Ray Units;
5. Establishment of T.B. Isolation beds; and
6. Supply of anti-T.B. drugs.

Central assistance at the rate of 75 per cent of the non-recurring expenditure and 50 per cent of the recurring expenditure is available to the States in respect of the above mentioned schemes. The Central Share on buildings is limited to 75 per cent of the following ceilings:

(a) T.B. Clinics Rs. 95,000 per clinic

(b) T.B. Demonstration & Training Centres Rs. 2,25,000 per centre

As Central assistance for the Centrally aided Schemes is released through "Ways and Means Advances' for a group of schemes, the information in regard to the actual amounts of cash assistance drawn by the Government of Orissa for the anti-T.B. Schemes during the Third Five Year

Plan uptill new is not available. However, anti-T.B. drugs worth Rs. 89,053.91 have so far been supplied during the Third Five Year Plan to T.B. Clinics in Orissa. Fuller information regarding the amounts so far spent by Orissa on anti-T.B. meausers during the Third Five Year Plan period and the items on which it has been spent has been called for from the State Government and will be placed on the table of the Sabha as soon as it is received.

सरकारी संस्थाओं द्वारा उद्योगपतियों को ऋण

1900. **श्री सिद्धेश्वर प्रसाद** : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि कोई ऐसा निर्णय किया गया है कि सरकारी संस्थायें किसी उद्योगपति को तब तक और ऋण न देंगी जब तक कि उस उद्योगपति ने पहले ऋण की आधी रकम का भुगतान न कर दिया हो ; और

(ख) यदि हां, तो यह नियम कब लागू किया जायेगा ?

वित्त मंत्री (श्री शचीन्द्र चौधरी) :

(क) जी हां ।

(ख) यह सवाल पैदा ही नहीं होता ।

Drinking Water for Madras City

1901. **Shri Sezhiyan:**
Shri Rajaram:

Will the Minister of **Health and Family Planning** be pleased to state:

(a) whether Government have examined the feasibility of adopting the process of desalination of sea water for providing drinking water to Madras City; and

(b) if so, the approximate cost of the process?

The Minister of Health and Family Planning (Dr. Sushila Nayar): (a) Desalination of sea Water for augmenting water supply to Madras city was considered but was dropped on the advice of experts from the United Nations who recommended ground water exploration near the city as better and more economical alternative.

(b) Does not arise.

Techno-Economic Survey of Pondicherry

1902. **Shri Rameshwar Tantia:** Will the Minister of **Planning** be pleased to state:

(a) whether it is a fact that the National Council of applied Economic Research has carried out the techno-economic survey of Pondicherry and has submitted its report to Government;

(b) if so, the details of the report;

(c) whether the recommendations in the report have been examined by Government; and

(d) if so, the final decision taken thereon?

The Minister of Planning (Shri Asoka Mehta): (a) Yes, Sir.

(b) Attention is invited to the report which has been published and is available as a public document.

(c) and (d). This survey was organized by the Council at the request of the Pondicherry Administration. The recommendations in the report along with other relevant factors will be taken into account by the Administration in formulating tne Draft Fourth Five Year Plan of the Pondicherry Administration.

World Medical Conference

1903. Shri Rameshwar Tantia: Will the Minister of **Health and Family Planning** be pleased to state:

(a) whether it is a fact that the Third World Medical Conference is to be held in India this year;

(b) if so, when it is likely to be held;

(c) how many countries are to participate; and

(d) what will be the agenda of the conference and its purposes?

The Minister of Health and Family Planning (Dr. Sushila Nayar): (a) to (d). The Third World Conference on Medical Education is likely to be held in India from 20th to 25th November, 1966. About 60-65 countries are expected to participate in the Conference. The theme of the Conference is —"Medical Education—Factor in Socio-Economic Development". This theme will be discussed under the following sub-heads:—

(i) Social change and scientific advance—their relation to medical education.

(ii) Medical education and the National structure.

(iii) Organization of medical education to meet the changing needs of society.

(iv) Planning new programmes in medical education.

Efficacy and Popularity of Loop

1904. Shri D. C. Sharma:
Shri Onkar Lal Berwa:

Will the Minister of **Health and Family Planning** be pleased to state:

(a) whether any survey has been conducted about the popularity of loop and its efficacy; and

(b) if so, how far it has proved efficacious in reducing the number of births?

The Minister of Health and Family Planning (Dr. Sushila Nayar): (a) and (b). Yes. The loop is very popular and its efficacy in reducing the birth rate is presently under study. As no pregnancy takes place while the loop is in position, it must prove efficacious in reducing the number of births.

Central Stationery Office, Calcutta

1905. Shrimati Renu Chakravartty: Will the Minister of **Works, Housing and Urban Development** be pleased to state:

(a) whether any definite decision has been taken to decentralise the budget of the Central Stationery Office, Calcutta; and

(b) if so, what will be its effect on the buying of bulk supply at cheaper rates?

The Minister of Works, Housing and Urban Development (Shri Mehr Chand Khanna): (a) and (b). As part of the re-organisation of the arrangements in the Government of India Stationery Office, it is proposed that no indents, the value of which is less than Rs. 1,000 and no demands for items costing less than Rs. 100 each, should be entertained by the the Controller of Stationery. The purchase and supply of items of petty value has been found to be uneconomical and it will be cheaper for indentors to make local purchases of such items. This will also eliminate delays in supplies. As it was not possible to arrange for decentralisation of the budget for the year 1966-67, it has been decided to implement the proposal from the year 1967-68.

Housing loan for Harijans in Mysore

1906. Shri Linga Reddy: Will he Minister of **Works, Housing and Urban Development** be pleased to state:

(a) the amount of money given to Harijan Housing cooperatives as loan

and subsidy in Mysore State in the Third Five Year Plan;

(b) whether it is true that while the first instalment has been paid to the Harijans for construction of houses through the Harijan Housing Cooperatives, the second instalment has not been paid for want of funds; and

(c) if so, the steps taken for the payment of the second instalment?

The Minister of Works, Housing and Urban Development (Shri Mehr Chand Khanna): (a) to (c). Information is being collected from the Government of Mysore and will be laid on the table of the Sabha when received.

नोट

1907. श्री प० ला० बारूपाल : क्या **वित्त** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि रिजर्व बैंक द्वारा कुछ नोट जो दुबारा प्रचलन में लाये जा सकते हैं, अकारण ही और उनकी गिनती न कर के जला दिये जाते हैं; और

(ख) क्या उपरोक्त तरीके का हमारी विदेशी मुद्रा की स्थिति पर कोई प्रतिकूल प्रभाव पड़ता है क्योंकि नोट छापने का कागज बहुमूल्य होता है और विदेशों से मंगवाया जाता है ?

वित्त मंत्री (श्री शचीन्द्र चौधरी) : (क) और (ख). जो करेंसी नोट चलन से वापस आते हैं भारतीय रिजर्व बैंक द्वारा उनकी जांच की जाती है । इन में से केवल वे ही नोट, जो और आगे चलाये नहीं जा सकते, एक विशेष क्रियाविधि के अनुसार नष्ट कर दिये जाते हैं । चूंकि, केवल वे ही नोट नष्ट किये जाते हैं, जो चलने योग्य नहीं होते, इसलिए इससे विदेशी मुद्रा की ऐसी कोई हानि नहीं होती जिस से बचा जा सकता हो ।

Loan for Rural Electrification

1908. Shri Jashvant Mehta: Will the Minister of **Irrigation and Power** be pleased to state:

(a) whether it is a fact that India has asked for special loan from U.S.A. for rural electrification; and

(b) if so, the details thereof?

The Minister of Irrigation and Power (Shri Fakhruddin Ahmed): (a) and (b). No. However, it has been decided to obtain the services of three experts of the National Rural Electric Corporation Association in the U.S.A. for a period of three months for conducting preliminary feasibility studies in connection with the scheme of rural electrification through co-operative institutions, under the auspices of the USAID. programme.

Orientation Course in Family Planning

1909. Shrimati Akkamma Devi: Will the Minister of **Health and Family Planning** be pleased to state:

(a) whether the second orientation course in Family Planning Sponsored by the College of General Practitioners of the Indian Medical Association, was held in February, 1966;

(b) the recommendations made during this three day course to check the growth of population; and

(c) the reaction of Government thereto?

The Minister of Health and Family Planning (Dr. Sushila Nayar): (a) Yes.

(b) It was a Refresher Course and was in the nature of a symposium at which a number of eminent doctors engaged in family planning work read papers on various subjects relating to family planning and discussed the results of their experience in their respective fields of work. No recommendations were made.

(c) Does not arise.

Aid to West Bengal for Procurement of Rice

1910. Shri Vasudevan Nair:
Shri Warior:

Will the Minister of **Finance** be pleased to state:

(a) whether the West Bengal Government have requested the Union Government for financial aid for the procurement of rice; and

(b) if so, the amount advanced for the same?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) Yes, Sir.

(b) A ways and means advance of Rs. 3 crores has been granted to the State by the Central Government.

आयुर्वेदिक कालेज

1911. **श्री रामसेवक यादव :** क्या स्वास्थ्य तथा परिवार नियोजन मंत्री यह बताने की कृपा करेंगी कि :

(क) क्या उनके मंत्रालय ने विभिन्न राज्यों में आयुर्वेदिक कालेजों को हिदायतें दी हैं कि वे अपने विद्यार्थियों के लिए संक्षिप्त पाठ्यक्रम की सुविधायें प्रदान करें; और

(ख) यदि हां, तो किन-किन राज्यों में इन हिदायतों का पालन किया गया है ?

स्वास्थ्य तथा परिवार नियोजन मंत्री (डा० सुशीला नायर) : (क) और (ख). जी नहीं । तथापि जिन्होंने मिश्रित आयुर्वेदिक प्रशिक्षण कोर्स पास किये हैं उनके लिए आगे कुछ और प्रशिक्षण की बढ़ती हुई मांग की पूर्ति के लिए अप्रैल, 1965 में भारतीय चिकित्सा परिषद् ने मिश्रित चिकित्सा की डिग्री / डिप्लोमा प्राप्त व्यक्तियों के लिए संक्षिप्त लाइसेन्सियेट कोर्स चलाने के बारे में अपनी सिफारिशें सभी राज्य सरकारों को भेजी थी । अब तक गुजरात और मद्रास राज्यों ने यह कोर्स चलाया है ।

Public Libraries

1912. Shri Kajrolkar:
Shri Parashar:

Will the Minister of **Planning** be pleased to state:

(a) the findings of the Working Group on Public Libraries set up by the Planning Commission;

(b) whether any programme for development of public libraries has been suggested by the Working Group;

(c) if so, the details and cost there of; and

(d) whether any model legislation has been suggested by the Working Group for the guidance of the States?

The Minister of Planning (Shri Asoka Mehta): (a) The Working Group on Public Libraries was set up by the Planning Commission in June 1964 for surveying the existing position of the public library service and recommending a programme for its development. The Working Group obtained information from the States about the existing position of libraries. According to the information received from the States on Ist January, 1965, 12 out of 16 States or 75 per cent had State Central Libraries, 5 Union Territories out of 9 or 55 per cent had Central Libraries, 205 out of 327 Districts or 63 per cent had District Central Libraries, 1,394 Blocks out of 5,223 or 27 per cent had Block Development Libraries and 28,317 villages out of 566878 or 5 per cent had village libraries.

(b) Yes.

(c) The proposed Plan for the development of public library service for

implementation in the Fourth Plan visualises:

(i) the setting up of 4 State Central Libraries in States where they do not exist, the provision of buildings for 11 State Central Libraries and the improvement and strengthening of the existing State Central Libraries;

(ii) setting up of District libraries in 130 Districts where such libraries do not exist and the improvement and strengthening existing District libraries;

(iii) setting up of 2,500 new public libraries in the blocks and the strengthening of the existing block libraries;

(iv) provision of grant-in-aid to branch libraries;

(v) setting up three public libraries in selected places on the pattern of the Delhi Public Library;

(vii) construction of a suitable supply of trained personnel the requirement in regard to which has been estimated at 12,000 in the Fourth Plan;

(vii) construction of a suitable building for the Delhi Public Library;

(viii) adoption of measures for augmenting the production and supply of literature to the libraries. To ensure this it has, among others, been suggested that the publishing industry, to expand its activities, should be considered eligible for loans from Govt. and that the import control on books should not operate in a manner that may sieve out scholarly, and technical books in favour of cheap fiction and other literature of elementary nature and (i) a programme for the Fifth Plan, which apart from development of services carried over from the Fourth Plan visualizes the strengthening of State, District and Block Libraries and setting up of new libraries in 1329 blocks and 26,000 villages, which will not be covered in the Fourth Plan.

The Working Group has estimated that in the Fourth Plan a sum of Rs. 30.99 crores would be required for implementing this programme of development. For the Fifth Plan outlay required for the programme has been estimated at Rs. 81·50 crores. The Working Group has estimated that with the implementation of the programme proposed for the Fourth and Fifth Plans, the recurring annual expenditure on public libraries, would reach Rs. 7 crores at the end of the Fourth Plan and a little over Rs. 22 crores at the end of the Fifth Plan.

(d) Yes.

Legalisation of Abortion

1913. **Shri Balmiki:**
Shri Vishwa Nath Pandey:
Shri Yashpal Singh:
Shri Bagri:
Dr. Ram Manohar Lohia:
Shri D. N. Tiwary:
Shri P. R. Chakraverti:
Shri Dasaratha Deb:
Shri Balakrishnan:

Will the Minister of **Health and Family Planning** be pleased to refer to the reply given to Starred Question No. 383 on the 2nd September, 1965 regarding the legalisation of abortion and state:

(a) whether the Committee appointed to study the question of legalising abortion has since submitted its report;

(b) if so, the main recommendations thereof and the reaction of Government thereto; and

(c) if not, when the report is likely to be received?

The Minister of Health and Family Planning (Dr. Sushila Nayar): (a) No.

(b) Does not arise.

(c) The Committee is likely to submit its report by the 30th June, 1966.

Drinking Water Supply for Malabar areas of Kerala

1914. Shri Mohammed Koya: Will the Minister of **Health and Family Planning** be pleased to state:

(a) whether it is a fact that there is no adequate provision for protected drinking water supply in the fishing villages in Malabar region of Kerala.

(b) whether there is any special scheme to expedite the supply of water to that region; and

(c) whether it is also a fact that there is frequent outbreak of the cholera epidemic in these villages?

The Minister of Health and Family Planning (Dr. Sushila Nayar): (a) to (c). Information is being collected from the State Government and will be laid on the Table of the Sabha.

National Electricity Grid

1915. Shri Kishen Pattnayak:
Shri Madhu Limaye:
Dr. Ram Manohar Lohia:
Shri Dasaratha Deb:

Will the Minister of **Irrigation and Power** be pleased to state:

(a) the steps Government are taking in the next few years to establish a national electricity grid;

(b) the benefits and savings likely to accrue from the completion of the project;

(c) the total investment needed for putting through the project?

The Minister of Irrigation and Power (Shri Fakhruddin Ahmed): (a) to (c). A statement giving the requisite information is laid on the Table of the House. [*Placed in Library. See* No. LT-5743/66].

Drinking water supply to Villages

1916. Dr. Ram Manohar Lohia:
Shri Madhu Limaye:
Shri Kishen Pattnayak:

Will the Mnister of **Health and Family Planning** be pleased to state:

(a) whether Government have drawn up any crash programme for supplying drinking water to the village people; and

(b) if so, the details thereof?

The Minister of Health and Family Planning (Dr. Sushila Nayar): (a) The Ministry of Health have not drawn up any crash programme under the National Water Supply and Sanitation Programme (Rural) to supply drinking water to the villagers.

(b) Does not arise.

PAPERS LAID ON THE TABLE

ACTION TAKEN BY GOVERNMENT ON VARIOUS ASSURANCES

The Minister of State in the Departments of Parliamentary Affairs and Communications (Shri Jaganatha Rao): I beg to lay on the Table the following statements showing the action taken by the Government on various assurances, promises and undertakings given by the Ministers during the various sessions shown against each:—

(i) Statement No. 1 Fourteenth Session, 1966.

(ii) Supplementary Statement N.o II Thirteenth Session, 1965.

(iii) Supplementary Statement No. V Twelfth Session, 1965.

(iv) Supplementary Statement No. IX Eleventh Session, 1965.

(v) Supplementary Statement No. XII Tenth Session, 1964.

(vi) Supplementary Statement No. XIV Ninth Session, 1964.

(vii) Supplementary Statement No. XIX Seventh Session, 1964.

(viii) Supplementary Statement No. XVII Sixth Session, 1963.

(ix) Supplementary Statement No. XXI Fourth Session, 1963.

(x) Supplementary Statement No. XXIII Second Session, 1962.

[*Placed in Library, see* No. LT-5723/66 to 5732/66].

Shri S. M. Banerjee (Kanpur): Sir, May I submit....

Mr. Speaker: This statement does not warrant any questions. He might look into it and if anything is necessary he might bring it to my notice so that I may allow questions.

Shri S. M. Banerjee: Suppose some assurance is given and it is not fulfilled?

Mr. Speaker: He may look into these things and bring such instances to my notice. I will allow him an opportunity.

12.13 hrs.

DEMANDS FOR SUPPLEMENTARY GRANTS (RAILWAYS), 1965-66

The Minister of Railways (Shri S. K. Patil): I beg to present a statement showing Supplementary Demands for Grants in respect of the Budget (Railways) for 1965-66.

12.13½ hrs.

PETITION RE. USE OF RIVER WATERS FOR IRRIGATION

Shri Sivamurthi Swami: Sir, I beg to present a petition signed by a petitioner regarding use of rive waters for irrigation purposes.

12.13¾ hrs.

BUSINESS ADVISORY COMMITTEE

FORTY-SIXTH REPORT

The Minister of State in the Department of Parliamentary Affairs and Communications (Shri Jagannatha Rao): I beg to move:

"That this House agrees with the Forty-fifth Report as amended by the Forty-sixth Report of the Business Advisory Committee presented to the House on the 4th March and 9th March, 1966, respectively."

Mr. Speaker: Motion moved:

"That this House agrees with the Forty-fifth Report as amended by the Forty-sixth Report of the Business Advisory Committee presented to the House on the 4th March and 9th March, 1966, respectively."

Shri Ranga (Chittoor): How does it happen that suddenly the Leader of the House has decided that he would give up this portfolio, by passing on to his deputy the moving of this motion? Should he not give some explanation. They simply shift people from one post to another.

The Minister of Parliamentary Affairs and Communications (Shri Satya Narayan Sinha): The Minister of State or the Deputy Minister attached to the Ministry always answers questions on behalf of the Minister.

Shri Ranga: Has the Speaker been taken into confidence before you made this change? Is it to be left to their whims and fancies from morning to morning?

Mr. Speaker: The question is:

"That this House agrees with the Forty-fifth Report as amended by the Forty-sixth Report of the Business Advisory Committee presented to the House on the 4th March and 9th March, 1966, respectively."

The motion was adopted.

12.15 hrs.

RE. CALLING ATTENTION NOTICE—QUERY

Mr. Speaker: Bill for consideration.

Shri S. M. Banerjee (Kanpur): Sir, I asked for your permission.

Mr. Speaker: I have requested him that he should first look into it.

Shri S. M. Banerjee: Not that; I wanted to submit about a particular issue.

Mr. Speaker: What kind of issue?

Shri S. M. Banerjee: In my calling-attention notice on coalmine hunger strike and the situation there I have also put a note. It is a pure and simple sentence.

Mr. Speaker: I do not argue here.

Shri S. M. Banerjee: I am not arguing. It is a Central matter and I simple requested that if you decide not to allow that calling-attention notice, kindly ask the Labour Minister to make a statement on this.

Mr. Speaker: All right.

Shri S. M. Banerjee: People are on hunger strike for the last eight days.

Shri Indrajit Gupta (Calcutta South West): A short notice question on the same subject has been admitted. I gave the notice six days back. People are on hunger strike.

Mr. Speaker: I have asked him, the Labour Minister, either to answer the short notice question tomorrow or he might make a statement.

12.17 hrs.

IMPORTS AND EXPORTS (CONTROL) AMENDMENT BILL—*Contd.*

Mr. Speaker: The House will take up further consideration of the following motion moved by Shri Jaganath Rao on the 9th March, 1966, namely:—

"That the Bill further to amend the Imports and Exports (Control) Act, 1947, be taken into consideration."

Shri Warior may continue his speech.

Shri Warior (Trichur): Sir, yesterday I wanted to speak in some detail about the import-export policy as a whole because the report of the Import-Export Control Organisation for the year 1964-65 is out, but since the General Discussion on the Budget is to start immediately, I will not take much time of the House and keep the House in suspense until that time. I will only make two important points. It is high time that the Government give due consideration to the problem of taking over the entire import-export trade; that is, nationalise the foreign trade as a whole. I think, it is now the proper occasion for that.

Now, exporters are entitled to half the amount of export for importing commodities which they like. I want stricter control on this by the Department. If these imports are allowed for development of those industries from which they are exporting, there is some sense in it; but, suppose, an exporter is importing with half that amount those consumer goods which are already available here and which are indigenously produced, there will be much competition and unhealthy rivalry between these importers and

the indigenous manufacturers. It must not act as a detriment to the indigenous manufacturers. There interests also must be looked into. So, this must be strictly adhered to and I should like that the Government look into this matter every now and then because there is every chance of such imports. In the import-export trade all sorts of malpractices are there. Today during the Question Hour a certain question came up about foreign exchange. The Finance Ministry is giving a little foreign exchange for those industrialists going aboard, but I am not satisfied that they are using only that much. They have some foregin balances and this Government cannot know at any time from any foreign bank or foreign authorities how much foreign balances are kept by these people. This is a result of the manipulations by under-invoicing and overinvoicing in the import-export trade. It is quite true that many a time the Government wanted to prosecute these people for such practices, but they have escaped the clutches of law by some loophole or by some system of legal procedures. Very few of them have been prosecuted or convicted. So, this question must be taken up very seriously by Government. I think that when the Commerce Ministry's Demands come up, I will have more opportunity to express . . . .

Mr. Speaker: Surely.

Shri Warior: I will speak on this at that time.

Shri S. M. Banerjee (Kanpur): Mr. Speaker, Sir, this is a Bill which I support with the putting of the penal clause in the Bill. I know the scope is very limited. But still I would like to make certain observations regarding the Imports and Exports (Control) Act and how it has been defied by some of the big business houses.

Mr. Speaker: If he takes up the whole story, that will be a big thing. Briefly, he might mention it.

Shri S. M. Banerjee: I am going to be very brief. I only want to know whether it is a fact that because of certain import restrictions certain industries are coming to a stand-still. I know that Commerce Minister wants to boost up our exports and he will never allow industries to suffer because of certain undue restrictions on imports. I would also like to know whether it is a fact that some instructions have been issued to the wagon manufacturers in the country to go slow because there are certain import restrictions and they are not getting certain material from the foreign countries. As a result of these import restrictions, they are going slow and what has happened is that thousands of workers have been declared surplus in that particular industry—they are not retrenched out they might be retrenched.

Another point that I would like to impress upon the hon. Minister is—I would like that he should enlighten this House on that—that there are certain restrictions on the imported wool because of which certain woollen industries are suffering. I got a letter from the Labour Minister yesterday saying that the wool to the tune of Rs. 1.80 crores which was in the custody of certain agency in Bombay—I think, the Government agency—has been released to the manufacturers. It may be true that the restriction may be genuine—I speak from my limited knowledge—but I want to know whether it is a fact that because of this harsh restriction or the rigid restriction, certain woollen industries in the country are suffering. I may mention of Dhariwal and Lal Imli and certain small units in Punjab. I would like to know from the hon. Minister. I want to be educated by him—whether these restrictions have brought these industries specially in a state of closure. I do not say actually closure but there are many people who have been declared surplus. I would request the hon. Minister to kindly throw some light on this and enlighten us in this matter.

Shri Harish Chandra Mathur (Jalore): Mr. Speaker, Sir, I do not think, while discussing this measure, we should avail an opportunity for pleading the cause of one industry or other or just to highlight the difficulties which are being suffered on this account or on that account. We are concerned more with the general scheme of things.

Sir, to me, it appears that it was in 1947 that Government felt compelled to bring some control and regulation and since 1947 to this day we are continuing almost on an *ad hoc* arrangement going from one term to another term. It is, therefore, time now to take stock of the situation as to whether this Control Bill which is before the House has proved to be an ineffective mechanism for the purpose for which it was designed.

The hon. Minister has not thrown any light on the subject. He has, of course, made certain amendments in the provisions of this Bill to tighten some of the provisions and to import in the Bill some stern measures for punishment. But it would have been much better if he had taken the review of the entire situation and eased the mind of the Members here and elsewhere on certain general abuses which have been assigned to the functioning of this Ministry regarding the foreign exchange regulations, regarding the over-invoicing and under-invoicing, from time to time as one of the greatest maladies from which this country is suffering. I wish he had thrown some light on how this mechanism for controls has proved adequate and effective for the purpose for which it was designed. I also wish that he had thrown some light on some alternative suggestions which have been there on these matters. Quite a few days back, the President of India gave a general impression through his speech somewhere in the south as if we were going to set up some autonomous body which would deal with the permits and licences. The Home Minister of this country also lent some support to such unauthenticated reports. We have not heard anything about how the thinking in this Ministry has been going on, and what the basis of the information was on which the President had made those observations, and what the basis was on which the Home Minister had made certain observations.

One of the accusations which have been levelled against this Government, particularly by the Swatantra Party has been that this is a licence-permit-raj; if that be so, then this licence-permit-raj is administered through the provisions of this Act. So, when we are discussing this Bill, I think the hon. Minister owes it to this House and to the country to repudiate that allegation and to tell us how this is in the best interests of the country and how there is no better alternative available before the country. I am afraid he has not gone into this matter at all.

The Minister of Commerce (Shri Manubhai Shah): The hon. Member should have been present here when I made my opening speech yesterday which contained some reference to this matter.

Shri Harish Chandra Mathur: I have read every word of the opening speech of my hon. friend which I have here in my possession. I do not know whether I have skipped over it, but I have read through the speech from the beginning to the end, and I have not been able to find that he has discussed any alternatives.

As a matter of fact, when this question was examined in certain detail, it was felt that there were certain major policy decisions to which Government should address themselves. There has been one suggestion by Shri Warior, for instance, that we should nationalise the entire imports. That involves one policy decision which they want this Government to take. Another policy decision is in regard to the suggestion that we may have certain autonomous bodies which may

go into the matter. There are also certain other suggestions which have been made where the trade wants that they should be active participants in the administration of imports and exports. Then we have the chronic maladies which have affected us regarding under-invoicing and over-invoicing on which so many questions have been tabled so often. As a matter of fact, at a particular stage of the organisation of the Chief Controller of Imports and Exports, we gave some consideration to this matter and we made a definite recommendation to Government. I would just like to read out what was said while making a recommendation on this particular point. It runs as follows:

> "In the examination of the current policy and procedure, the Study Team assumed that the existing method by which the twin objectives of conservation of foreign exchange and optimisation of the use of imported industrial materials are achieved through the mechanism of individual licensing of imports is the best available method.".

We had to go on this assumption as if this is the only method available.

> "Various suggestions have been made for re-examination of the existing mechanism of control and for introduction of policies like the nationalisation of import business, creation of an autonomous organisation for the issue of licences, auctioning of licences"—

there are certain economits who have been very strongly advocating that these licences should be auctioned and that Government will get a much better deal, there would be a fair deal also to those people to whom the licences are given and there would not be that huge margin which people pocket at the consumers' cost—

> "participation of the trade in the distribution of the licences etc. The Study Team feels that these are broad policy questions which need a comprehensive examination of the administrative and economic reprecussions, and perhaps a survey of the experience of other countries with similar problems may be necessary".

Now, this recommendation was made more than a year ago. I thought that in fairness and justice the hon. Minister, for whom I have very considerable respect—he is one of our ablest Ministers who has done very well in this field—would take the House into confidence and tell us whether Government had applied their mind to this policy matter, or they want to proceed only on the basis of an *ad hoc* arrangement introduced in 1947. We want to know whether the various problems which have been thrown up have been examined, whether the maladies and weaknesses have been examined and whether the alternative methods and alternative mechanisms of control have been looked into by them. Before this House endorses this Bill, it would be wise for the Minister to take the House into confidence and tell us regarding each policy matter, regarding each alternative suggested as to what Government's reaction to them are.

It would not be a good thing for us to let the hon. Minister and the department go to sleep by passing this Bill extending the life of the Act by another five years. I would not object to extending this Act by, say another two years. Let them have another two years, if they have not applied their mind to it, but they should be charged with the responsibility of examining all these issues threadbare and coming to a final conclusion before a further extension is granted or before it is put on the statute-book as a permanent measure or whatever they like. Two years should be an adequate time. I say two years because the elections are ahead of us and the next Government should be able to examine this. We do not want that it should lie in the mouth of anybody, whether it is from the Opposition or from anywhere else. to say that they have suggested a parti-

[Shri Harish Chandra Mathur]

cuar alternative which Government have not examined. I have not the least doubt in my mind that Government are acting in the best interests of the country, but they must make people feel that they are doing so, that the charges and the allegations and all these things being flaunted, being thrown at us have no substance and when put to the test and a practical examination, one will be up against various difficulties.

It is in this context that I ask the hon. Minister at least while he is giving his reply to tell the House and the country that he has applied his mind and for these various reasons he feels that the present arrangements are the best in the interest of the country. Even then, I would like that this should be further examined as recommended. Either they should say they have accepted this recommendation of the Study Team, that they have examined the whole matter and have come to a final conclusion, or they should say that these are the final conclusions to which they have come and these are the reasons for rejecting all the alternatives suggested or suggestions thrown up by various quarters. If they say that they have not examined the matter thoroughly and have not come to a final conclusion, there is no justification for extending the Act for five years; it should only be for two years, to permit Government to examine the recommendation which has been made by the Study Team.

Mr. Speaker: Shri D. C. Sharma.

Shrimati Savitri Nigam (Banda): rose—

Mr. Speaker: I was looking in her direction. She did not get up. Now she is late.

Shrimati Savitri Nigam: I was trying to catch your eye and had risen.

Shri D. C. Sharma (Gurdaspur): I think you are looking at a better person than anybody else.

An hon. Member: The Chair was referring to an hon. lady Member.

Shri D. C. Sharma: I am sorry.

Mr. Speaker: Shri D. C. Sharma claims to be superior to the lady Member.

Shri S. M. Banerjee: He is a Professor of English. He should at least show courtesy to ladies first.

Shri D. C. Sharma: Mr. Speaker, Sir, our imports and exports are one of the biggest headaches of our Government. It is very strange that the Imports and Exports (Control) Act which was passed in 1947 is going to be amended today in 1966.

I want to ask one question of the hon. Minister of international trade or whatever he is called, because designations are changed every day: Are our imports and exports something static or something dynamic? Are we moving along with the world or are we standing still? Are we trying to see that our imports are in consonance with the requirements of our country? Are we trying to see that our exports are in conformity with the growing needs of our country on account of the five year plans? Are we seeing to all these things or are we taking only a view of these things which is not progressive, is not wholesome and is not forward-looking?

I feel that our exports and imports require an annual look.

12.37 hrs.

[SHRI P. K. DEO *in the Chair.*]

Shri Bhagwat Jha Azad (Bhagalpur): Why not a monthly look?

Shri D. C. Sharma: I feel most unhappy that the hon. Minister has brought forward this amending Bill after about 19 years.

Shri Manubhai Shah: Every five years we have to amend it. It has been amended four times. It is not being amended for the first time after 19 years.

Shri D. C. Sharma: He says that this Bill has been amended every five years. I do not know what is sacrosanct about five years. What is the element involved in those five years? We have thought of *panchsheel* because it involves the element of five.

Shri Bhagwat Jha Azad: He wants a monthly, even daily, look.

Shri D. C. Sharma: There are things which involve arithmetic commensurate with the numeral 5. But I do not know why our imports and exports which are such a vital part of our national economy should wait for 5 years in order to undergo a review. Now in 1966 our Minister wants us to give him a blank cheque for another 5 years. I think no Bill like this should be passed for 5 years. It should have relevancy to our present conditions only for one year, and every year we should try and bring forward a Bill in consonance with the growing needs of our country.

An hon. Member said just now that it should be applicable only for a term of two years. I do not think so. I believe it is necessary that this should come under our review every year; Parliament should be made cognizant of what is happening in the world of export-import every year, when the financial year comes to an end.

My second point is this. What is the landscape so far as our country's imports are concerned, and what is the landscape so far as our exports are concerned? There is no doubt about it that the hon. Minister has been making herculean efforts to expand the exports of this country, there is no doubt about it that he has signed some agreements with some countries like Yugoslavia that both of them should go into partnership for expanding the exports of both the countries. I think it is a very good idea, but I want to know why it is that our exports to the Latin American countries, our exports to the African countries are not showing much better results.

For instance, the other day I put a question about our exports to Ghana, and I was told that our exports to this country were on the deficit side and not on the surplus side. When other countries are stepping up exports to these countries, what prevents my country to give them the desired services, the desired commodities, the desired consumer goods? I do not understand why it is like that.

I know that some non-officials delegations have been sent abroad to these countries in order to step up our exports. I know about one gentleman who want to Kenya. He presented a report. The reports are received in the Ministy, and they take such a long time over the consideration of these reports, they take such an inordinately long time in arriving at decisions that by the time the reports become effective, those very things have been taken up by other countries. That is the sorry state of our exports.

12.42 hrs.

[MR. DEPUTY-SPEAKER *in the Chair.*]

It is true that whenever our Minister goes abroad, he brings back something in his pocket.

Shri Harish Chandra Mathur: A clever man, no doubt!

Shri D. C. Sharma: He is able to do something in that line, but when any other non-official delegation is sent abroad—I think they are given every encouragement—their reports are treated with the utmost neglect, nobody bothers about what they have said, and nobody tries to see how those reports are being implemented.

[Shri D. C. Sharma]

The difficulty is this, that this ministry has got too much on its hands, and the result is that it is not able to do justice to everything. Therefore, I would like to ask the Minister what programme he has in order that our exports are going to increase, not increase at the pace they are increasing today but increase at the pace we require in order to meet our defence requirements and also to meet our agricultural requirements.

One point more, and I have finished. I know you arrived and suddenly you rang the bell.

I want to tell you very respectfully that so far as our imports are concerned, we, Members of Parliament, go about the country and we meet all types of industrialists engaged in smallscale, medium or large-scale industries, and I must tell you very frankly and without making any ado about it, that they are all complaining of lack of suitable materials in order to make their industries grow. We are talking of import substitutes so that we need not get imported material from other countries, but where are these import substitutes? I might be told that we have 90 per cent of import substitutes, but the price of this 90 per cent will be one rupee and the price of the 10 per cent which has not been substituted will be Rs. 100. I think this theory of import substitution has not yielded any results for the industrial progress of this country, and I want the hon. Minister to take some steps to make this successful.

The punishment prescribed here is only for imprisonment which may extend to two years. Yesterday I was present at a party which was given by Mr. S. K. Patil, and Mr. Gajendragadkar referred to our constitution and said that it makes for revolutionary socio-economic progress.

Mr. Deputy-Speaker: Your time is over.

Shri D. C. Sharma: Half a minute.

Mr. Deputy-Speaker: You have already taken enough time.

Shri D. C. Sharma: I have not taken enough time, I started only a few minutes earlier.

I was submitting that in this age when we are thinking in terms of anti-social activities and outlawing and banning them, this punishment of two years is nothing. I know they will get off with this punishment also. There are so many foreign exchange violation cases. The man starts with 20 years and ultimately is let off. Therefore, I say that the punishment should be deterrent in this case.

Some hon. Members *rose*—

Mr. Deputy-Speaker: Two hours were allotted, it is over now.

Shri U. M. Trivedi (Mandsaur): I will take only five minutes. I am going to offer a little criticism.

Shri Manubhai Shah: Yesterday there was no speaker at all.

Mr. Deputy-Speaker: Yes, five minutes.

Shri U. M. Trivedi: I do not want to recapitulate all the arguments that have been advanced by my hon. friend Shri Mathur. My hon. friend has very ably put the arguments on the feasibility of keeping this only for a further period of two years and not as a permanent measure. The advice coming from Mr. Warior that all exports and imports must be on Government account and must be made by the Government need not be regarded seriously as this is something nonsensical.

I want to ask why this amendment is being made in the year of Grace 1966 when the Sea Customs Act was abolished already in 1962. I would like to know the number of prosecutions, how they ended, in how many prosecutions there were acquittals on account of this lacuna in law.

The evils that are prevailing in our country in the system of selling away import licences are well known, and known from 1947 when this export import control came into force. How many times have we indulged in prosecuting those who have disposed of their licences, what particular control has been imposed upon them, what are the rules that have been made, and why have the prosecutions not succeeded in bringing home to them their guilt? I, as a lawyer, do not like merely increasing the quantum of punishment. Making it one year or two years will make absolutely no difference. The question is whether the law itself is so watertight and whether the provisions of the law are such that the man who has been caught has been found guilty of the offence or is suspected of having committed the offence, or the offence is provable against him, or, is it because there is some lacuna or loophole in the working of the law that the man easily escapes the consequences. Therefore, to this new idea, this type of idea, of imposing a punishment of imprisonment to a term which will extend to two years and also with fine, has percolated in our minds.

The proviso read as follows:

> "Provided that in the absence of special and adequate reasons to the contrary to be recorded in the judgment of the Court, such imprisonment shall not be for less than six months."

Why should there be such a provision? This means either that we have no faith in the discretionary powers of the judiciary or we are launching upon some sort of vindictive legislation to see that we must impose imprisonment on a citizen. There are so many cases where the guilt is of a type which on the face of it is a minor one; it may be a small mistake or is a small contravention of an order or the order has not been properly understood or it has not been properly printed; something or the other which always happens on the Government side. Yet, the ordinary industrialist or a trader gets it on the neck. Therefore, I should point a warning finger at the Government. It is high time that we changed our outlook towards our traders and merchants. We have been assuming and presuming for a number of years now that every businessman in our country is a dishonest man. I should say that this is a very bad presumption. He is not dishonest, he could not have been dishonest or it is not possible that he could be dishonest: it is only because of the dishonesty introduced in our system, in this system of controls. You must see the repercussion of this system; the reaction of it is there. That reaction brings about a circumstance by which a merchant wants to get out of the clutches of the law by some method or other; not that he is inherently dishonest. To treat every merchant or trader in our country as an inherently dishonest man is a slur on ourselves, a slur on the whole society. I should think that there must be a reorientation of these ideas, and we should not impose such a slur upon the community as a whole. I think the continuance of this for a further period of five years is not a very welcome thing.

There is one thing to which I should like to draw your attention before I sit down. I make this request to the Lok Sabha Secretariat. When I was reading this Bill, I felt it. whenever such a Bill is brought before the House, the certificate of the President must appear on the Bill itself. It becomes ridiculour, everytime I look at such a Bill, to find that the President's sanction is not there. When the expenditure to be incurred is about a crore of rupees or more, why is the certificate not there on the Bill, and why is a separate certificate being obtained? I know that the certificate is there. Why should it not be printed on the Bill itself? It should always be on the Bill itself so that we must not have to look elsewhere for it or to search for it.

With these few words, I close.

Shrimati Savitri Nigam *rose*—

Mr. Deputy-Speaker: The time is over. We must begin the debate on the General Budget soon. Shri Manubhai Shah.

Shri Manubhai Shah: Mr. Deputy-Speaker, Sir, yesterday. the Bill was almost being passed when I had the occasion to intervene. I am, therefore, glad that today some hon. Members have taken some interest in this matter. As a matter of fact, it has been always a surprise to me that things which hon. Members attach the greatest importance to, sometimes get passed unnoticed, and therefore, I am happy that my hon. friend Shri Warior came back with his usual, seasonal suggestions.

Here I want to remind my hon. friend Shri Mathur that one of the suggestions which his committee has made—about nationalisation of foreign trade to be considered as a policy matter by the appointment of a committee or otherwise—has been debated in this House, I think, several times in the last four years, and I have had the opportunity to reply to resolutions from the non-official benches, with full-blast arguments on both sides, why the Government of India and this party do not contemplate a complete nationalisation of foreign trade. It would be a sad day when the energies of this great country, with a mixed economy as we have, both the public sector and the private sector functioning without let or hindrance, should be subjected to an overall control and regulation by the Government of the day, to take over all trade. But this has not prevented us from canalising or taking over some trade which the Government, after thorough examination commodity-wise and destination-wise, has thought fit to either nationalise or canalise through the State corporations.

My hon. friend Shri Ranga had on many occasions, many a time, to question the work of the State Trading Corporation and the Minerals and Metal Trading Corporation, but it is the clear policy of this Government, which requires no committee to examine whether the trade should be nationalised or whether and to what extent participation of the State in the foreign trade of the country should take place. It is absolutely clear and gradually we propose that all the difficult-to-sell commodities or bulk commodities which require the intervention of the State, either at the financing stage or the contractual stage or require the backing of the State authority with long-term contracts, should be canalised through the State Corporations. The two major corporations of India have now come to almost Rs. 250 crores worth foreign exchange out of the overall export-import of this country to the tune of about Rs. 2,250 crores.

Shri Ranga (Chittoor): You must not profiteer.

Shri Manubhai Shah: That is a different thing altogether. I am now talking on policy matters only. We therefore held on balance that where necessary, in public interest, the Government would not hestitate, because of any powerful interests, vested interests, on any side, to take over or canalise through such trade corporations or other mechanism or even nationalise a particular gamut of commodity, commodity-wise or destination-wise.

At the same time, we will be the last person to interfere with the day-to-day activities of numerous importers, exporters, industrialists and business houses in this country whom we want to flourish without let or hindrance, without any type of bad name being attached to them, as Shri U. M. Trivedi rightly pointed out. We hold them in high esteem because only a few of them misact or misbehave or work below the normal

human dignity; therefore it is not necessary to impeach 98 per cent of them with any bedevilling remarks or to run them down or to call them as those who indulge in underinvoicing or overinvoicing in this country to any large extent than anywhere else in the world.

Shri Bhagwat Jha Azad: It is said that only a few behave and the others go the other way.

Shri Manubhai Shah: I have repeatedly said, and again I say on the point of challenge, that the traders in this country, on the whole, have acted well and they are acting well. It is only some few who are misacting or are rather acting below the human dignity. This is the reason why we have brought a much more stringent measure as an amendment to this Act. If an importer brings imported goods under the AU licence or is under established importer system, and if he is running a factory with a licence and if he is going to sell it away in the name of production or he tries to sell it because he gets more profit, it is not enough that we should be only satisfied by a fine imposed by the court. Therefore, we have said that for reasons of economic justice or non-miscarriage of justice, if the courts so desire, they can say why they are giving a punishment lighter than six months, and they should give proper reasons, for which a provision is being stipulated as mentioned in the Act. Otherwise, they will have the obligation to see that such bad persons, a few defaulters all those who default, who misuse the benefits which the community in this country has conferred on the few importers, will be penalised to the extent of imprisonment for six months to two years and not be satisfied with fine alone. The profits, sometimes, of these importers are so much that a person prefers to pay the fine and pocket the profit rather than consider it to be a bad thing to have suffered the punishment of a fine. Therefore, we have made this change.

My hon. friend Shri Sharma—he is not here now—was mentioning about the review. I have had several occasions when the import and export trade of this country was reviewed many times in this House. Again, every year, when the demands of my Ministry come in for discussion, that will be the main subject which hon. Members and the Government will deal with; in respect of the annual report, the annual report of the Chief Controller of Imports and Exports gives all the details of the import and export of this country, commodity-wise and destination-wise.

My hon. friend Shri Trivedi wanted to know how many cases under the Indian Sea Customs Act, for default in import and export realisations have been instituted and how many succeeded or what punishments have been given. These figures along with the details about black listing etc., and various other things, which the law provides for, are all given in the annual report. I do not want to go into those details now.

13 hrs.

Mr. Banerjee wanted to know about the wagon building industry and woolen industry in Punjab. The wagon-building industry is suffering not because of shortage of raw materials, but comparatively less economic activity—I would not call it lull—during the past 1½ years and therefore there is a surplus. We are launching upon a big programme of export of wagons. As I said, we want to build a wagon assembling plant in Rijeka in Yougoslavia. Wagons in knocked down conditions can be exported there and from there the wagons can be re-exported to western Europe, U.K. and East European countries because the continental system of railways is the same as ours.

Woollen industry is on a different footing. The difficulty there is due to shortage of foreign exchange. I want to caution the House. The import bill has been continuously mounting up during the last 18 years from a mere Rs. 400 crores per year to Rs. 1400

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crores per year. In just a decade it has gone up from Rs. 700 to Rs. 1400 crores. Every year the imports are going up by Rs. 60 or Rs. 70 crores. So, when people talk about import substitution, I bow down to them. The entire industrial policy of our country is based on the theory of import substitution—to substitute imported components by local manufacture either through ancillary or auxiliary industry or basic industry producing raw materials, to make the whole product indigenously. I am proud that most of our basic industries today—almost 80 to 90 per cent—are indigenous and only 10 to 15 per cent are reliant on imported components.

The problem is about basic essential raw materials in which the country is deficient in a natural manner—non-ferrous metals. We do not have copper mines and zinc ore and because of the laterite conditions of the soil and the decean trap and the geology of the country, we do not produce non-ferrous metals or over commensurate with our needs. For the Fourth Plan, we required Rs. 1300 to Rs. 1400 crores of non-ferrous metals. Where is production of Rs. 280 crores to come from? Therefore we have to import them. For our power stations, cables, electrical products and machine tools we require non-ferrous metals.

Regarding fertilisers also, we are trying our best. Every year the demand for nitrogen, potassium and phosphatic fertilisers will go up. There is no rock phosphate in this country. Therefore, we have to import it from Algeria and the west and north African countries. There are many more things like chemical intermediaries and special steels which we have to import for a long period to come.

In international trade, international inter-dependence has come to stay. Even the United States, the biggest industrialised country of the world, practically commanding 45 per cent of the industrial complex of the world today imports goods worth Rs. 13,000 crores a year. The balance of trade is against them and the Finance Minister and Commerce Minister there are worrying how to promote exports. The big loans given by big countries have certainly aid motivation behind them, but really it is an export promotion measure. Whether it is USA, USSR, Czechoslovakia, UK or Japan, they want to help us and help themselves also.

Shri Daji (Indore): Why not we lend our Finance Minister to them to bridge the gap between import and export?

Shri Manubhai Shah: As an expert, his services are always available to whichever countries may require them.

Shri Daji: The Commerce Minister would be better.

Shri Manubhai Shah: You can also join us and we can all go!

The point is our imports are of the most frugal and thrifty type. Apart from whatever little smuggling takes place, ours is one of the countries which has put up for the last 18 years with the least amount of imported consumer goods. We practically import none—practically no consumer goods. Somebody asked, is it a fact that Rs. 2 crores worth of cosmetics or lipsticks are imported? I do not imagine even Rs. 100 of cosmetics were imported. We are not against lipsticks, but we have not imported them for 10 years. Rs. 115 was the total import last year. Import avoidance along with import substitution, has been the basic theory on which we have worked.

Mr. Mathur asked whether we have paid attention to what the Swatantra Party has been all the time flinging

at us—a licensing system different from what we have been doing for the last 18 years. I do not think anybody expects for many more years the Treasury Benches will change, and if at all any party has that good fortune or whatever type of fortune it is, I am sure without regulation or control of foreign trade, both imports and exports, no political or economic development of this country is possible, because this is the scarcest material we have got. We have got to import more. We can export something more every year, but not adequate enough in the next 10 years.

Shri Ranga: You do not have a proper machinery for administering it.

Shri Manubhai Shah: I am merely mentioning the obvious things first, so that lessons may be learnt by those who day in and day out write so many editorials and articles about it. I have had occasion and the good fortune to see the notings made by some of those leaders on the other side when they were functioning in the Government. (*Interruptions*). I am merely mentioning that this commodity which is very scarce will have to be regulated whatever the nature of the regulation may be.

Regarding the question whether a new licensing board or any other type of autonomous body is possible, everybody knows that the Home Minister is already having discussions with the members of the different parties on this matter.

Shri Ranga: You would not allow him.

Shri Manubhai Shah: We fully allow him.

Shri Ranga: Appoint an impartial commission. (*Interruptions*).

Shri Manubhai Shah: The problem is whether a quasi-judicial or judicial body or an autonomous body can deal with problems of this vast magnitude which India is facing, with thousands of entrepreneurs, the percentage of indigenous content varying from unit to unit, not to speak of variation from industry to industry. If a cycle unit had come up in Punjab in 1951, after 15 years, its imported components may be just 1 per cent, but if a unit is set up in Madras in 1966, it may be 50 per cent. Therefore, a quasi-judicial body cannot operate on this basis. Even so, after this committee submits its findings, if there is any lacuna left, we can appoint another committee We have examined it thoroughly in the ministry and in the Planning Commission. There is no possibility for having a genralised method of dealing with thousands of industries, where the requirements vary from unit to unit, depending on the nature of the machinery, the various types of credit terms available from different countries, etc. These make it such a complex task that no quasi-judicial or judicial body outside the executive authority of a political party which can face all the consequences thereof is possible.

Shri Ranga: You have introduced party-politics into it.

Shri Manubhai Shah: I am talking of the national policy, above party, cutting across all boundaries.

Shri Harish Chandra Mathur: Why have you not been able to convince the Home Minister, as you are trying to convince the House? Why is he quibbling with it?

Shri Ranga: In 6 hours in Bombay at the time of elections my hon. friend collected Rs. 24 lakhs for the party.

Shri Manubhai Shah: I totally deny that charge. (*Interruptions*).

Shri Harish Chandra Mathur: Shri Ranga was a partner for a long time.

Shri Surendranath Dwivedy (Kendrapara): That is why he knows your secret.

Shri Vasudevan Nair (Ambalapuzha): Was it Rs. 24 lakhs or Rs. 30 lakhs?

Shri Manubhai Shah: I can only say that we have the honour to belong to a party which manages its election with the least amount of money (*Interruptions*).

Shri Vasudevan Nair: How much did you spend last time?

Shri Manubhai Shah: Sir, I am now coming to the third point. What I wanted to represent was about the third alternative of auctioning of licences. This question of auctioning of the licences has been considered in great detail in the Planning Commission and the Ministry of Finance and also in our Ministry. The experience of Brazil and Latin American countries, who have tried this auctioning, is also well before us. It has been found to be the most defective method of distributing one of the most scarce raw materials. Firstly, only a few rich people who can bid in the auction, grab the commodity in the largest amount and then put the entire community into distress, will be the beneficiaries. The Government will not be the beneficiary. The Government has the mechanism of import duties, revenue duties, customs duties and excise duties by which to make such scarce material as expensive as the market can bear. But in this matter also there can be diversity of opinion. Those countries which have tried it in a limited manner also had to give up the method of public auction of import licences. I am prepared to discuss this matter with any hon. friend who makes a serious study of this. Even on a limited scale, in a matter like cloves or camphor which are not basic things in the economy of the country, which are not imported in large quantities, this method has not been successful.

I would, therefore, submit that the Imports and Exports (Control) Amendment Bill which has been placed before the House with such stringent measures has been devised as a result of experience in the last 17 or 18 years, and where the import programme is completely clear for the Fourth Five Year Plan, for every project, for every item of production, for every sector of the economy big or small after very careful calculations to find out what are the needs of import. On the other hand, our export programme, which I had the privilege to place before the House, where we envisage from Rs. 840 crores to go up to Rs. 1110 crores or 1150 crores at the end of the Fourth Plan is before the House, worked out in all the commodities, in all the descriptions. We are expanding our trade with the United States, we are expanding our trade with the United Kingdom, we are expanding our trade with the East European countries, much to the dislike of some Members in the Opposition group. We have explained how the rupee trade is as dear to us, as valuable to us, as the sterling trade or dollar trade.

Shri Ranga: You are becoming poetic.

Shri Manubhai Shah: I am giving the facts. I am giving only the reality.

So, Sir, in that humble manner, I would suggest that the Bill with the amendments to the Act that we have proposed may be taken into consideration and approved by the House.

Shri Sham Lal Saraf (Jammu and Kashmir): The hon. Minister has spoken about exports. We appreciate very much what the hon. Minister is doing with regard to that. But with regard to imports, as the hon. Minister is aware, there is very little satisfaction with regard to the distribution of scarce materials. I would like the Minister to say something about that, as to how he is going to ensure proper and correct distribution.

Shri Manubhai Shah: There I am entirely in agreement with the hon. Member, that the system which we might have devised for distribution of certain scarce materials is not the best or perfect. But depending upon the availability of foreign exchange

we try to see that the distress is spread uniformly. I will give an example. In the case of wool from Rs. 18 crores we had to cut down the import to Rs. 2 crores. It is a drastic and cruel cut. But the exigencies of the situation made us do that. We have no other alternative. Therefore, to the smaller units we cut a little less and to the larger units we cut a little more. That is how we try to do it. In some cases where we find that the private importer will take advantage of the small user, we bring in the State Corporation to import such raw materials. This is a subject on which I would like to remain enlightened by the experience of hon. Member from time to time, and wherever improvements can be made. I am at their disposal.

Mr. Deputy-Speaker: The question is:

"That the Bill further to amend the Imports and Exports (Control) Act, 1947 be taken into consideration."

The motion was adopted.

Mr. Deputy-Speaker: There are no amendments to any of the clauses. I shall put them together. The question is:

"That clauses 2, 3 and 4 stand part of the Bill."

The motion was adopted.

Clauses 2,3 and 4 were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

Shri Manubhai Shah: I beg to move:

"That the Bill be passed."

Mr. Deputy-Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

13.16 hrs.

GENERAL BUDGET—GENERAL DISCUSSION

Shri M. R. Masani (Rajkot): Mr. Deputy-Speaker, Sir, in assessing the nature and worth of this budget, a quick look at our present conditions might be a good starting point. Sir, today, our economy is in a stagnant condition. The rate of growth of our economy has been described as being the lowest even among the countries of Asia During the current year, the Economic Survey admits there has been no increase in the national income. This, Sir, with a growing population, means an actual set back.

Industrial progress has been dropping now for two years in quick succession. In 1963-64, it was at the rate of 8.5 per cent, during 1964-65 it was only 7 per cent; and during this year we are told it will be only 6 per cent, according to the Economic Survey. The capital market is as good as dead. Equity shares have gone down during the past year—1965—according to the Economic Survey, by 15.3 per cent. Our food debacle is notorious and I do not wish to take the time of the House with it at this moment.

Prices are constantly rising. In 1963-64 wholesale prices rose by 9 per cent, in 1964-65 by 8.7 per cent and during the 9½ months of the current year they rose by 12.3 per cent. As on 15th January, 1966, the level of prices was 5.6 per cent higher, according to the Economic Surevy, than a year ago.

Our currency is debased. It is only worth ten cents of the U.S. dollar against its professed price of twenty cents. Therefore, India today is a smugglers' paradise for contraband watches, transistor sets and gold, selling at four to five times prices in the world market.

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Our exports, despite the brave protestations of the Commerce Minister just now are stagnant and are not rising. Our balance of trade is adverse. We have rising trade deficits from year to year.. From an average of Rs. 467 crores during the Second Five Year Plan, our adverse balance of trade has gone up to Rs. 570 crores last year. The Economic Survey makes a most pathetic admission, on page 4, that the "balance available for deployment is hardly sufficient to pay for half a month's imports".

India, today, is a bankrupt country, thanks to the policies of the Government, unable to meet its obligations in the councils of the nations. Two possibilities alone remain, according to an official spokesman, for us to save our face and to avoid having our nose cut in public. One is described in technical jargon as "rescheduling debt payments", which means we defer payments and ask for a moratorium. The second possibility is called "re-financing of new loans to absorb payments due on old loans". According to an answer given in the Lok Sabha on 24th February to a question regarding the Fourth Plan, this is the alternative the gentlemen in office propose to try and follow. According to the Fourth Plan document approved by the National Development Council in September 1965, they hope to get an aggregate of Rs. 4,000 crores of external assistance during the next five-year period. Out of this, says the answer, interest payments and capital repayments, would account for Rs. 1350 crores. In other words, 33.75 per cent of the foreign aid for which we are trying for our Fourth Plan will go to repay the obligations already undertaken by us. That is how the future of this country is being mortgaged by the improvidence of this Government.

Is it surprising that the world should look upon us today as bankrupt? Paul Barean, a well-known British financial commentator who recently came to India on a visit, according to Statesman of 14th February, said:

> "The fear of inconvertibility—in plain language, the situation where India finds itself without foreign exchange to allow normal repatriation of capital and profits—was holding back much useful investment."

The Japanese Economic Mission, from our own Continent, gave India a bad chit when they were here last month. Mr. Adachi, the Leader of the Delegation said:

> 'The capacity of India to permit repatriation of capital invested and dividends 'is not quite clear to us'

The Mission expressed its grave concern whether India "could successfully do this in future".

This is a picture of the situation with which we are faced and the question that we have to consider is: how does this budget propose to remedy it?

Listening to the Finance Minister's speech, Part A of his speech, one felt that there was an increasing awareness of reality in official circles. The same conclusion can be drawn from a reading of the Economic Survey. Both these documents contain a great deal of welcome self-criticism and a fresh assessment which I for one welcome. It also shows the beginning of Liberal economic theory which has been missing from official documents unfortunately for the last decade. Take, for instance, page 2 of the Economic Survey where it is said:

> "The need to stimulate production tion and exports by offering the right incentive will remain greater than ever."

On page 23 of the Economic Survey, it is said:

"A major policy objective is to maximise returns from the large government investments made in the various commercial and industrial undertakings."

The Finance Minister, on pages 8 and 9 of Part A of his Budget speech, said:

"There cannot be any doubt that the revival of the capital market and a greater flow of private savings to industry in the form of equity investment are desirable in the larger social interest"

a sentiment which I heartily echo In regard to the nature of priorities of investments also, the Economic Survey and the Finance Minister's speech are on sound lines in their conclusions. The Survey says at page 8:

"A major task is to secure the maximum output in the short-run from investments already made."

The Finance Minister said on page 10:

"Every effort has to be made to restrain Government expenditure, particularly on general administration and on new schemes of development with a long gestation period."

In regard to preventing further inflation, the Economic Survey recommends:

"Promotion of competition on the basis of price and quality to the maximum extent possible".

It goes on to say:

"Fiscal and monetary discipline will need to be reinforced in order to stay further price increases".

The Finance Minister says:

"Developments during the current year are a matter of concern and call for a greater degree of realism in budget-making as well as a greater sense of determination in restraining expenditures, whether revenue or capital, whether Plan or non-Plan, whether by the Centre or by the States".

He further says:

"It becomes more necessary than ever to restrict the expansionary impact of Government expenditure in general".

Excellent sentiments indeed. But now we must go on to consider to what extent they are reflected in the concrete budget proposals of my hon. friend opposite.

As we know, the budget shows a revenue surplus, at current levels of taxation, of Rs. 210 crores. The Finance Minister has given some much-needed relief in personal taxes and corporate taxes of a very minor nature—Rs. 3 crores in personal taxes and Rs. 7 crores in corporate taxes—giving in all tax relief of Rs. 10 crores. Therefore, even after the tax relief we are still left with a net surplus budget of Rs. 200 crores on the revenue side. If the capital receipts amounting to Rs. 1,625 crores could have been left to take care of the capital expenditure to be incurred during the coming year, with perhaps some loans to raise further capital, the Finance Minister could have reduced taxes, particularly the vicious excise duties from which the poor people in our country are suffering quite drastically. It was in his power, if he had chosen, to give Rs. 200 crores of relief to the indirect tax-payer, the consumer, the poor man if he had only followed the sound budgetary principle that the current year's taxes should not be diverted to capital expenditure, but that capital expenditure must come out of capital receipts, loans and borrowing, a sound principle of budgeting acknowledged all over the world.

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But for some reason that I fail to divine, he went out of his way gratuitously to convert this Rs. 200 crores surplus into a deficit of Rs. 127 crores. He did it by acceding without any resistance to the demands for expenditure on the civil side, the defence side and the planning side. I am sorry to have to make this criticism because the Finance Minister is an esteemed friend of mine. I have regard for him and I frankly had some hopes that this budget would be different from that ugly series of predecessors on which it follows:

Let us consider the kind of expenditure which this budget seeks to sanctify. First, there is the civil non-developmental expenditure, the civil service, the police expenditure or the wasteful expenditure of the State. What was required here was a uniform cut of something like 5 per cent. If the Minister of Finance had shown courage and if he had said to his officials. "I do not care how you do it but you will have to introduce a cut of 5 per cent over last year's expenditure" the bureaucrats would have gone to work upon it. Unfortunately, the non-productive expenditure on the civil side has been allowed to go up by several crores. As far as I could find out, the figure is Rs. 24 crores—may be I am wrong; I would be glad to be corrected on this point—I could not find out the sum total of the additional civil expenditure, but from the kind of figures that are given to us in the official papers I think it is Rs. 24 crores over what it was last year. With fifteen years of operation of Parkinson's law, our bureaucracy has been consistently proliferating. It has been constantly engaged in finding more ways of taking fewer decisions, more men to do less work, more expenditure for less and less efficiency. Let me give just a few figures to show the ridiculous amount of nonsense which successive Finance Ministers and this House have been standing.

Let me give you the figures of members of the Secretariat at the official level in the Union Government, in 1947, at the time of transfer of power, and last year. The number of Secretaries of Departments of Government, when the British left us, was 18. Last year it was 46. Additional Secretaries, who were 10 in number in 1947, had doubled to 20 in 1965. Joint Secretaries were 34 in 1947, now they have gone up to 115. Deputy Secretaries were 70, they have gone up to as many as 235. Under Secretaries, the lesser breed had gone up from 167 to 429. The result is that even at the Secretariat level, in the non-productive departments of our Union Secretariat, as against 299 well-paid officials we today have 845 officials.

Shri Sham Lal Saraf (Jammu and Kashmir): The workload has increased.

Shri M. R. Masani: The workload has not increased. They are not doing anything more than what the Britishers were doing when they left. The workload or functions of the Union Home Ministry have diminished. Sir Reginald Maxwell had a much heavier workload than Mr. Nanda can ever hope to have.

How I will come to the Home Department or the Home Ministry, which has declined to be a subsidiary of the Home Ministries at the State level. In 1947, there were 15 Secretaries, Under Secretaries, etc. Now there are 150, ten times the number of Secretaries for the utterly unproductive police Ministry that we have.

Evidently, I am sorry to find the Finance Minister does not seem to think that enough damage has been done. So, instead of cutting this down he has agreed to another Rs. 24 crores of addtional wasteful expenditure. He has agreed, in other words to a further increase in the army of drones which this country has to carry on its back.

Among others who do well for themselves are of course the planners. According to the Demands for Grants of the Planning Commission, from the revised estimate of Rs. 1.39 crores spent by them in 1965-66, this year the cost is going up to Rs. 1.63 crores. They made such a mess of the Third Plan and they are now going to be given another Rs. 24 lakhs as a reward for the coming twelve months.

In Britain also there is a planning body. It is called the National Economic Development Council, popularly called "Neddy". It is interesting to compare the expenditure of one Planning Commission, which is a pretty useless one, with the rather well functioning Neddy of Britain. In Britain the figure is £250,000 or Rs. 33.33 lakhs, which is exactly one-fifth of what our own precious Planning Commission costs. In April 1964 Neddy had a staff of only 114 full-time members. I shall be glad if the Finance Minister enlightens us as to what is the number of the full-time staff of those gentlemen who sit in Yojana Bhawan today proliferating at a rate exceeding even the population growth of India.

This is in regard to civil, non-productive expenditure. Now, we come to defence expenditure. So far as defence expenditure is concerned, I would concede that it is relatively reasonable in this year's Budget. The figure for defence is Rs. 918 crores out of a total of Rs. 4,000 crores. There is an increase of Rs. 29 crores. I for one would not quarrel with that amount. If the security of this country in defending it from Communist China and other threats warrants it, let us pay this amount cheerfully, though I still believe that on the defence production side there is a great deal of room for saving and a lot of waste can be elminated.

Then, we come to Plan expenditure— the third part of our Budget. This is Rs. 1,155 crores at the Centre and Rs. 926 crores at the State level, making a grand total of Rs. 2,081 crores during the coming year. While I welcome the slight shift—it is only slight—in favour of agriculture in the current year's plans, there are still many items of wasteful top heavy expenditure which fly directly in the face of the Finance Minister's dictum that long gestation projects should be eschewed. I give only one example at this stage and that is the Bokaro Steel plant, which is the worst of these industrial Taj Mahals which our present Moghuls are building as a memorial to themselves. The first phase is of 1.7 million ingot tonnes and the second phase is of 4 million tonnes when the plant will be complete. The cost of the first phase is Rs. 626 crores. It is interesting to know that when the Soviets first made their proposals, not long ago, the cost was Rs. 550 crores. It has shot up by Rs. 76 crores. When the whole thing is completed, that is, the 4 million tonne plant, the total cost now is going to be Rs. 923 crores as against an original estimate not long ago of Rs. 770 crores. Just a slight error of about Rs. 153 crores at the expense of our miserable tax payers.

Shri T. N. Singh, the Minister concerned, said in the Rajya Sabha on 3rd March that the cost was *"Prima facie* somewhat high". The British are a great nation for under-statement. I think, we should export Shri T. N. Singh to England because this is the greatest understatement of the year. It is not slightly or somewhat high; it is ridiculously and criminally high.

The Government had two other estimates offered to them. There were three tenders. One was the Soviet tender for Rs. 923 crores; the second was by Dastur and Company for Rs. 638 crores for the same plant, and the third was a United States estimate of Rs. 703 crores. The Government of India, contrary to all practice chose the highest bidder. The cost as a result comes to Rs. 2,300 per ingot tonne or $485. It is well-known that throughout the world United States and other steel companies are putting

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up plants at an average cost of $350 to $360 per tonne. Calcutta the colossal loss to this nation. Rs. 120 crores thrown away as the initial capital cost with steel that will be continually uneconomical: Because of the high cost it will be difficult to sell.

I want to know why this disastrous choice is being made. Are we obliging the Russians? If we are obliging them, why are we obliging them, and what are we getting in return?

And this at a time when the demand for steel is going down, when there is a glut in the world market and in India for steel!

Let me first deal with the glut in the world market. According to the *United States News and World Report* of 31st January, there is "too much steel in the World". The *Economist* of London of 29th January says:—

> "German steel producers face a year of depression. Prices fall precipitately over the last few months."

30,000 German steel workers have been put on short-term work. Nearly all steel companies report losses. There is pressure on steel producers all over the world to find export markets.

The glut of steel also exists in India. According to the *Indian Express*, of 9th February, "the Indian steel plants face a crisis of glut." According to the *Statesman* of 14th February, excess steel poses a problem." The corespondent goes on to say:—

> "The three public sector plants are confronted with an altogether unexpected problem, that of overproduction and underutilisation of capacity."

The *Times of India* of 4th March says that "export prospects are being explored and there is accumulation of steel products". It goes on to say:—

> "The Union Government is exploring the possibility of exporting accumulated stocks of certain categories of steel products in the public sector plants."

This is a quotation from Shri T. N. Singh, Minister, to the Consultative Committee of Parliament.

Shri Ranga (Chittoor): Our cost of production is the highest.

Shri M. R. Masani: It is in this context of world prices dropping of steel being available more and more economically, a glut in the world market and a glut in the Indian market that this criminal waste of public resources is now being proposed. I believe that a steel plant of these proportions can safely be postponed for another five years. Otherwise, all this talk of the Finance Minister of "quick gestation projects" being favoured must be considered sheer moonshine.

We come lastly to the fourth part of our expenditure, and that is the States. As we know, the Governor of the Reserve Bank condemned overdrawing by the States on the Reserve Bank on 16th February, and the Finance Minister in paragraph 9 of his speech makes a similar statement deploring the indiscipline of the States who go on drawing money to which they are not entitled. But the surprising thing is that in the Budget proposals there is not a single suggestion of how this indiscipline is to be stopped. On the contrary, hon. Members will be surprised to be told that they would be rewarded for this behaviour. The amount of funds to be advanced by the Centre to the States during this coming year is Rs. 666 crores. If this were all Plan expenditure, even this might be considered somewhat forgivable. But out of this amount only Rs. 505 crores are going to be advanced to the States by the Centre for Plan expenditure and Rs. 161 crores are going to be ad-

vanced to the States by the Centre for non-Plan, non-productive expenditure. Why? I want to ask the Finance Minister and I hope he will answer that in his reply: What has happened to the protest in paragraph 9 of his speech? Why are the States being rewarded in this manner for unproductive expenditure of this proportion? Is it supposed to be an abject surrender to political jobbery at the lower levels?

The point is: If this 161 crores was not to be given to the States for non-Plan expenditure, there would be no deficit and there would be no additional taxation. The Finance Minister has chosen to impose another Rs. 100 crores of additional taxation at a time when this could have been avoided by a simple device of not giving to the States more than what they needed for plan expenditure. If only the Capital receipts had been left to cover the Capital expenditure, plus loans and advances he could have gone in for a remission of taxation to the extent of Rs. 200 crores. I would have suggested that all of this should go to the poor people in the way of remission of excise duties on the needs of life of the poor. If that had been done, the productive forces would have looked up in this country, savings could have accumulated and tax revenues also would have begun to rise again.

It is a fallacy that if you cut down the rate of tax, your revenues drop. They do not do anything of the sort to the same extent. Tax cuts have a therapeutic healing value, and the law of increasing returns sets in. Just to give an example, if my income were to be Rs. 1.5 lakhs and the tax was 40 per cent, that would yield more to the revenues than if my income was Rs. 1 lakh and the tax was 50 per cent. In other words a smaller slice of a big cake is bigger than a bigger slice of a small cake.

Now, this is concretely proved by the example of the tax cuts in America initiated by the great progressive, President Kennedy, and carried out by his successor Mr. Lyndon Johnson. I quote a paragraph from the Economic Report of the U.S. President to the Congress in January, 1966:

> "From the close of 1963 to the final quarter of 1965 Federal revenues advanced by about $ 9 billion; yet during this period, tax reductions of $ 16 billion had taken effect through the Revenue Act of 1964 and the Excise Tax Reductions Act of 1965."

Tax collections for calendar year 1964 (the year the cut was applied but before it took full effect) amounted to $169.1 billion; tax collections in calendar year 1965 (with the cut fully in effect) amounted to $181.8 billion. The Finance Minister could have, if he had shown the same imagination, cut the taxes and yet could have come to us and said: "My treasuries are equally full." But that requires imagination of a kind which this Government has never shown. Even assuming that tax cuts are too daring, too bold, too progressive, for this constipated Government, at least we could have been spared further, additional taxation. A sum of Rs. 100 crores has been dumped on the shoulders of the tax-payers. There were three separate ways in which this additional taxation could have been avoided.

The first, as I said, was an "across the board" average cut of 3 per cent on non-Defence expenditure—I am not touching Defence—of Rs. 3,100 crores. If only 3 per cent had been cut on the non-Defence expenditure, all the additional taxation could have been spared. Or secondly, if they had restricted advances to States only for Plan expenditure, again there would have been no need for additional taxation. Or thirdly, if they had only assiduously and efficiently collected the crores and crores of arrears of tax that they are incompetent enough not to collect, even that would

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have been enough to cover additional taxation. But evidently this Government looks upon the necessity of getting their pound of flesh and squeezing the people as more important than saving the entire economy from disaster, which is now going to follow in the next twelve months.

Sir, that brings me to my understanding of the consequences of this Budget. The claim that this Budget is production-oriented is false. This is a depression-oriented Budget and, as sure as day follows night, the depression is going to descend further on this country in the next few months. I am not insensible of the small reliefs that have been given, the raising of the exemption limit for the small section of the lower middle class—we welcome that—the removal of expenditure tax, the lowering of rates of gift tax and the modifications in the accrual of the tax on dividends and on bonus shares. But, as I mentioned earlier, the total relief is Rs. 10 crores and the effect of this is more than wiped out by additional taxation. As regards personal taxes, in spite of this relief there is a net additional burden of Rs. 22.15 crores and on corporate taxation there is a net additional burden of Rs. 36 crores. This will not fall on Big Businessmen. Every bit of this tax will be passed to the shoulders of the poor consumer because it is part of the law of economics. Similarly people think that a 5 per cent additional tax on L.I.C. will only fall on the L.I.C. But they are making a mistake. That extra tax will fall on the shoulders of the millions of poor policy-holders of the L.I.C. That is how the whole of this burden of taxation is going to fall on the shoulders of the poor.

Consider the effect of his on production and investment. Already, during the last year, Rs. 200 crores of additional taxes were levied by Mr. T T. Krishnamachari. I venture to say that this additional amount of Rs. 100 crores will break the back of our economy and the same Government will have to come to us again, as they have already done in their current documents, saying: "All our expectations last year went wrong." I forecast that the expectations of the Finance Minister are going to fail, because they must fail. That is inevitable in the light of this Budget.

Consider what this means. Will it help the capital market which the Finance Minister says he is keen to do? No. Even if, for a few days because of the bonus shares relief some little rise takes place on a few scripts, I venture to submit and forecast that the capital market is not going to revive during the next twelve months. If it was ever the Finance Minister's intention—I am prepared to believe that it was when he introduced the Budget—that the capital market should revive, then I would plead with him that he has been egregiously misled by his official advisers. Let him retrace his steps even now. The capital market is the heart of a modern economy. It is not a plutocrats' club or a gamblers' den. Let him think again.

Consider the effect on foreign investment. It will be just as bad. The Secretary of the Finance Ministry said in Bombay a few days ago that foreign investor was not interested in the levy of taxation in India. I am amazed at that statement coming from a senior official with that gentleman's record. It is complete nonsense. The foreign investors are very much interested both in the levy of taxation and what they can get by way of profit. Are we to believe Mr. Boothalingam or shall we believe Sir Norman Kipping who came to this country representing the Federation of British Industries a few weeks ago? He said:

> "The climate for foreign investment in India at present is not good". The prospects for investment are "pretty bad in the short term future."

Shri Indrajit Gupta (Calcutta South West): Today he has said something different.

Shri M. R. Masani: Are we to believe him or Mr. Boothalingam? In fact the Finance Minister, in his statement in the Lok Sabha on the 23rd February, 1966 admitted as such:

> "There has been a fall in the number of foreign collaboration and investment cases approved by Government during July-September, 1965 as compared to the two preceding quarters."

Another thing about the Budget is that it will be inflationary and will raise prices further. The excise duty on light diesel oil is a most reckless adventure. At a time when the farmer needs an incentive to produce more food, this diesel oil which he uses for pumps and motors for agricultural purposes is sought to be taxed higher. I am very glad that the Congress Party in the Gujarat Legislative Assembly has rebelled and has demanded that this duty should be dropped. I hope the Congress Members from Gujarat who, along with me, represent that State in Parliament will raise their voice in supporting me in saying that this excise duty on diesel oil must go.

Then, there is the duty on sugar, which is a common man's necessity. Even khandsari sugar and unrefined sugar have been taxed more. Now, on good authority, I learn that large stocks of sugar have accumulated in this country and that if sugar was decontrolled today, the industry would be compelled to unload the stocks and the prices can be brought down right now. That would be a very beneficial step. It will be anti-inflationary, it will reduce the tremendous strain on the availability of credit, and the industry would be in a position to pay the arrears which it has not done. I am told there are Rs. 18 crores due from the industry to the poor sugarcane grower who is waiting for his money. What has the Government done? Instead of decontroling sugar and forcing the industry to bring the stocks on the market which will drop below the controlled price, they have added further to the price of sugar by an additional excise.

The additional excise duties on sugar, tobacco, cloth, cigarettes and light diesel oil impose a burden on the poorest classes of our people to the extent of Rs. 52·86 crores. The effect of this is bound to be to send up prices as it has done in the past. It has been so during the last three years. For the last three years, I have been predicting that excise duties will add to prices. The Finance Ministers with a very straight face assure the House that this Budget will be anti-inflationary and then come and admit that the last Budget was inflationary. This is what the Economic Survey says. On Page 1, it says:

> "The Central Budget for 1965-66 sought to avoid deficit financing while offering further incentives for exports and higher production within the country. In the event, many of these expectations have been belied during the current year which has been one of great strain all round.".

Then, on Page 4, it says that "initial expectations" are "not likely to be realised" and on page 7, it says that these expectations were falsified. This act of innocent surprise, year after year, at the natural consequences of their own acts, is rather hard to take! Speaking on the previous Budget, on 2nd March, 1965, I had said:

> "The Finance Minister has ventured to hope in his speech that now prices will fall. I wish I could agree with him—we all would—but it is wishful thinking. I venture to make a statement here—I made it during the past two years and I was proved right—

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that prices will not fall and that this budget is an inflationary budget. . . ."

"This is an inflationary budget. In the next twelve months, prices will rise not through accident but because the Finance Minister, for demagogic purposes, has resorted to a budget that will raise prices".

I repeat every word of what I said last year and I warn the Finance Minister that it is no good, during his reply saying: "I assure the House that prices will not rise." Every normal man must intend the natural consequences of his act. He is an eminent lawyer and knows it. Any one who brings in this budget is asking for inflation in this country.

Coming to deficit financing, the Budget has left uncovered a gap of Rs. 25 crores. That is not the only deficit financing in this budget. The deficit financing in this budget is of greater proportions. It is Rs. 375 crores, because the remaining Rs. 350 crores of deficit financing represents the loans and P.L. 480 funds which are pumping money into our economy without a corresponding increase in the goods and services produced here. Therefore, the deficit financing in this budget is Rs. 375 crores. It is for this reason that prices are going to rise.

Lastly, this budget is altogether over-dependent on foreign aid. The extent of reliance on foreign aid expected this year is Rs. 800 crores. This is a great increase on Rs. 680 crores last year and Rs. 460 crores in the previous year. The question is: will they get it? Will the world respond?

The omens are not auspicious. According to the London Times of 14th February, America and Britain are facing a dilemma in their relations with India—"how to combine understanding with realism, sympathy with home truths." You will recall that President Lyndon Johnson in the beginning of February said:

"We intend to help only those who help themselves." Can it be seriously argued that by this budget we help ourselves? Could we not have put our house in order? Could we not have cut our coat according to our cloth? Could we not have agreed to spend what we have and what we possess? I am afraid this budget is going to make the task of those who ask for economic aid in Washington and elsewhere much more difficult.

This is what the U.S. Delegation which visited India, led by Senator Wayne Morse, say in their report:

"The delegation seriously questions whether American tax payers should continue unstinting support of Governments whose philosophy negates full utilisation of available private capital and initiative. The delegation doubts whether the long range national interests of the U.S.A. and recipient nations are served by foreign aid which encourages Government enterprise in areas of economic activity where private enterprise has proven its value."

We all wish the Prime Minister, when she goes, success in her visit. We hope that her visit will prove fruitful. We may keep our fingers crossed, but we cannot help realising that this budget has not made her task easier.

The question would be asked: "Why has the Finance Minister, who is a reasonable person, who understands these things, failed to carry out his own statement on Para 1, Part A of his speech where he said:

"It is imperative that bugetary and indeed all economic policies are framed with a view to reversing these adverse trends."

I fear he has succumbed to a combination of three vested interests: the Bureaucracy, which never accepts any cut cheerfully the States who have to be rewarded, no doubt, for putting the new Prime Minister and Government in office; and finally, the National Planning Commission.

About the National Planning Commission, we can judge best its influence on this budget and the Government by the latest Papal Bull or Fatwa, whatever you may call it, to emanate from it High Priest, the Vice Chairman. I refer to the Saugar speech of my friend, Mr. Asoka Mehta.

Shri Vasudevan Nair: He has repudiated it.

Shri M. R. Masani: I do not think he has repudiated nor will he because he is an honest man; these are his views and he will stand by them. He is a great friend of mine and I would not allow such a libel on him to be cast.

In that speech, Mr. Asoka Mehta raised three or four points. The first was that he called for " a reversal of policies which broadly favoured the better-placed agriculturists." He regretted that "there did not appear to be any trend towards making ownership of over ten acres of irrigated land uneconomic by levying heavy imposts upon such holdings." In other words, the Planning Minister thinks that the ceiling of 30 acres of land, which gives a farmer with a family of five a maximum income of Rs. 300, to be too high and he wants to bring the lot of the farmer down to 10 acres, to one-third of the income. Coming from a great socialist like him, it is an amazing statement. The present ceilings are low enough; they keep the peasants permanently depressed, but the Planning Minister says that he wants the ceiling to be brought down to 10 acres, so that all the effective, efficient farms to which the country looks for its food supplies can be destroyed. There can be no prescription for an immediate famine in India better than the one advocated by Mr. Asoka Mehta.

Similarly, he wants to "unionise tenants compulsorily." A few days later, in another speech, he said that agricultural tenants should be forced to "compulsory unionisation." Perhaps he will explain this wonderful thought to us some time. Of course, he believes in Nationalisation and for that purpose, as he has said, "the Constitutional guarantees about the right in and to property make it difficult for the forces of socialism to operate at the level of a change in the structure of private property." The Planning Minister is welcome to his views, but unfortunately now he is a member of Government and the country would have to suffer if his views were accepted.

This advocacy of nationalisation is completely out of date; it is obsolete. it is not socialism as the second half of the 20th Century understands it. If I had time, I would have gone into more detail. Leave aside British, German and other socialists who repudiate this doctrine. Let us consider what people in Russia are saying today. Let him read Prof. Lieberman. It will be still better if he reads what the Yugoslav Ambassador to our country, Dr. Uvalic, himself a very noted economist, said in Bombay on February 19. I am quoting from the newspaper of the 20th February. Dr. Uvalic said this:

> "In the socialist economy of his country....

That is, Yugoslavia.

> "....a free market functioned both in industry and agriculture. It was only through the market where factors of demand and supply operated that the problem of what to produce more and what less, and whether production was efficient or not could be determined, and production, productivity and competitiveness could be increased."

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He went on to say; I am quoting him:

> "I do not think the existence of a free market and operation of competitive forces of production is against socialist theory."

I commend this, thinking to Mr. Asoka Mehta. I would wish even now that he catches up over this gap of thirty years by which he is lagging behind so that he could be in the mainstream of progressive and liberal socialist thought throughout the world. Unfortunately, he has been following a consistent line which is to declare war on the peasants, to ask for more taxes on the peasantry and to declare war on the Indian people.

If I may remind the House, speaking in Calcutta two years ago, on the 21st March, 1964, he said—he was addressing the West Bengal Business Convention; I am quoting from *The Times of India* of the following day:

> "Mr. Mehta warned the people that there was no escape from an annual increase of Rs. 100 crores in taxation ...."

Is that why the Finance Minister is trying to get Rs. 100 crores as additional tax? Is he the Brahmin to whom the Kshatriyas on the Treasury Benches are looking for Marxist Vedic support? Mr. Mehta warned the people that there was no escape from an annual increase of Rs. 100 crores in taxation. That is exactly the additional taxation this year.

> "...The severest curbs on consumption would be necessary to ensure surpluses. The present generation...."

That is, all of us, our wives and children,

> "... which was a bridge between the stagnant present and a bright future would get trampled upon in the process. But that could not be halped."

If I may say so, this is an arrrogation of Divinity. It is saying: "I am God and I will decide what is good for the people and what is not".

May I remind the Planning Commission and its leaders that "one cannot do good without first making good". You cannot distribute anything unless you first make a profit. This is one thing which the Planning Commission has signally failed to do. Thanks to them, Planning itself has become a mock word, a "God that failed". Which is a bad thing, because I believe in democratic planning, I believe in indicative, advisory planning of the French and British pattern.

14 hrs.

I come now to the end of my speech. During the life of this Parliament, there have been four successive bad budgets. One was brought in by Shri Morarji Desai in 1963, and during the last two years we had two wicked budgets from Shri T. T. Krishnamachari. I regret I have to say this, but I regard this budget as just one more in that horrible series of Morarji Desai-Krishnamachari budgets.

There is nothing new or fresh about this budget. It has no relevance to the needs of our country. It can neither stop inflation, nor depression, nor over-dependence on foreign aid. It cannot rectify the balance of trade; it cannot stabilise our currency; it cannot do any single one of these things. It is completely irrelevant to what this country needs. It just goes on following the old habits.

The people of India have a limit to their capacity for patience. As the poet said:

> "Hope too oft deferred,
> Makyth the heart sick.".

This thought was echoed by the leader of the Indonesian Communist

Party, who according to reports, has paid with his life for his perversities Aidit. Some time before the *coup d'etat* which ended his life or which is believed to have ended his life, Mr. Aidit gave expression to a remark which showed great insight, because he was a clever and a brilliant man. He said about his country in a rare moment of insight:

"Politics move to the left, but stomachs move to the right.".

And because stomachs move to the right, that man has had his head chopped off or had been shot at by angry people who turned against him and his fellow conspirators who had oppressed the Indonesian people for the last ten years in the name of socialism.

Shri K. D. Malaviya (Basti): What is my hon. friend? The stomach or the body?

Shri M. R. Masani: The wrath of the Indian people also will one day make itself felt. But we are democrats and we do not want the wrath of the Indian people to fall on their oppressors in the way that the Indonesian people have killed thousands and thousands of those who came in the way of their prosperity and happiness. We deplore that. But there are alternative ways in our Constitution by which the wrath of the people can be expressed. That opportunity will be coming to them and, when that comes, that wrath may be expressed peacefully but it will be very terrible and very stern.

Shrimati Tarkeshwari Sinha (Barh): I am grateful to you for calling me immediately after Shri M. R. Masani has spoken. I have great respect for Shri M. R. Masani. He is studious. He is a great economist, as he calls himself, and I agree that he takes his job very seriously. He has tried to give a sincere analysis as he wants to give about the economy of this country. There are many things which he has spoken which need consideration and attention, not only from the House but from the Government also. But the misfortune of this House is that, as he himself has rightly pointed out, during the last few years since I have seen him speak in the House, his speech on the budget comes as a beautiful hardy annual. Of course, I also speak on the budget most of the time when I am not in Government; of course, when I was in Government, I could not do so, but nowadays I do get the privilege to speak on the budget. If you really analyse the debates and see the speeches which he has made over the years when he participated in the discussion of the budget, right from the stage of its introduction, you will find that his arguments, his analysis, his conclusion, his summaries and also the lovely stories that he tells us have more or less been the same.

Shri Ravindra Varma (Thiruvella): And the quotations also.

Shri K. C. Sharma (Sardhana): He is the same man all through.

Shri Bhagwat Jha Azad (Bhagalpur): He is not the same man. He was a socialist previously.

Shrimati Tarkeshwari Sinha: He is the same man. But that is the trouble. A man's words and ideas have to change according to the atmosphere, the climate, the environment, limitations and the needs. If wishes would have been horses, everybody would have ridden, including persons who do not know how to ride. That is our difficulty. We would like to do certain things, but because of certain limitations in the economic development, we cannot do them. Some of the arguments which he has advanced are really worth consideration, but as I said before, the sum total of his speech, as I understand it and judge it, and I am sure many Members of the House would agree with me on this, does not indicate that kind of constructive approach which is required. This kind of argument is like an annual exhibition of flowers. It is very flowery indeed. There is no

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doubt about it, and it is very colourful indeed, but I would like to ask him through you whether it is going to help us. We see that the share market is going down, we see that foreign exchange difficulties are there, and the food crisis is also there; so let us join together and see what we can do to improve the position. Shri M. R. Masani is an intellectual. When he was with us he was such a useful member. I still invite him to come to us. His own approach to the problem would be changed. And that is what is required. I am not referring to the argument. I do not disagree with his arguments. A person who talks from a certain angle would certainly talk from that angle. I criticise his angle; I criticise his mode; I criticise his method.

Shri S. M. Banerjee (Kanpur): What does she appreciate then?

Shrimati Tarkeshwari Sinha: I admire the man . . . (*Laughter*)—The House should bear with me—for his intelligence. The House should bear with me, and I wish that the House had shown me that patience and indulgence to hear me complete the sentence. I was saying that I liked the man for his intelligence. That is why I want that he should join this organisation and we shall all work for his joining this organisation, if good sense prevails on him. We shall see that his coming into this organisation is facilitated and then his mode, his method and the way of working will change; his approach will change, and he will realise that there are certain basic needs of this nation which have to be fulfilled, and those needs cannot be fulfilled only by the indexing of the share market; he will be a better person, a better thinker and a better organiser and a great asset for our party.

Shri Indrajit Gupta: But what incentives is she offering him for joining the party?

Shrimati Tarkeshwari Sinha: If Shri M. R. Masani comes on this side, the incentive that will be offered to him would be very tempting for him. Let me not divulge the secrets about the incentives. Shri Manubhai Shah would bear me out when I say this. I should not divulge all the secrets about the incentives, because again it would affect the share market.

Shri U. M. Trivedi (Mandsaur): What is it? Is it secret or confidential?

Shrimati Tarkeshwari Sinha: It is not confidential; in case he joins it will be made public.

The Minister of Commerce (Shri Manubhai Shah): It is a trade secret.

Shrimati Tarkeshwari Sinha: I agree with Shri M. R. Masani that there should be a great check on the expenditure. I think the Finance Minister ought to agree with him when he says that every Finance Minister gives a new hope, though I do not agree that all the remedies are in the bag of any particular Finance Minister. It is not possible for any one individual to bring all the remedies. But then the Finance Minister has been fortunate or unfortunate, I should say, to come and take the responsibility of this country at a time when the situation is going from bad to worse, because of the situation, because of certain conditions, and because of certain developments which have taken place in the Indian economy.

I do not understand Shri M. R. Masani's argument that there has been a constant bungling on the part of Government. Because he is very fond of quoting the American economic giants on that matter, I would ask him what happened to the American economic giants when the Wall Street crash came and everybody tried to avert that crash? What happened when England went off the

gold standard? My hon. friend has been quoting also the English economists . . .

Shri M. R. Masani: I have quoted the Japanese economists also.

Shrimati Tarkeshwari Sinha: He quoted the English economist also. But I would like to ask him one thing. With the potential there was and with the thinking that English economist had and the British financial giants that were there, with all the boom of the economy that they had at their command after the Second World War, what happened to that economy? That had crashed, and England had to come down from the gold standard because they could not sustain the pressures of the economic growth. It is a fact, as the Prime Minister said very casually—and I think there is a lot of sense in what she said—that this is the price we have to pay for a boom in economic growth. There was a boom in the industrial growth, in the economy and therefore, there was bound to be some of these pressures and pangs which we are facing in the Indian economy today.

The hon. Member knows that industrial production went up to more than 150 per cent, it was somewhere between 150 and 165 per cent, while the growth in other sectors, the targets in other sectors, lagged behind. In power, there was not fulfilment of the target; in transport, the target was not hit; in export, there was not a fulfilment of the target. Naturally, when it is one link combined with another, and when three links do not sustain the industrial growth—the industrial output, there is bound to be an imbalance in the economy. It is the job of the Finance Minister, no doubt, constantly to check this imbalance and bring about a balanced economy. But these are the phenomena, the symptoms which any industrial growth will have inherent in its stomach; because the economy has to go on on a balanced keel, link by link, so that the chain works in a stable manner.

That is what has happened to our Indian economy because in the Second Five Year Plan period, there was so much growth of industrial capacity, that the problem of pains and pressures, the problem of worsening foreign exchange has all become a symptom of this Indian economy. Therefore, the point that he mentioned, that the job of the Finance Minister, the responsibility of the Finance Minister—I am sorry for the cough—I hope Shri Masani is not cursing me?

Shri U. M. Trivedi: She is only emulating him. He had a glass of water; now she is having the same.

Shrimati Tarkeshwari Sinha: Because the other links did not sustain the industrial growth, this has happened. But it is the responsibility of the Finance Minister—it was his responsibility—to show and indicate in this Budget that he seriously means to correct the economy by cutting down expenditure so that we could create additional resources for filling up the gaps in so many other sectors of the economy.

If you compare the rise of the national income at current prices, you will be surprised at the amount and proportion of non-developmental expenditure which has increased in this country. If you take 1950-51 whence non-developmental expenditure has increased annually, expenditure both of the Centre and the States, in the capital and revenue account, it has risen from 544 crores to Rs. 2,775 crores. That means an annual increase of as much as 27 per cent. Then come to the developmental expenditure. It was the beginning of the Plan; therefore, it was bound to be very low. It was lower than even the non-developmental expenditure at that time. It was Rs. 393 crores in 1950-51 and now it is Rs. 2,298 crores—again, ...

पानी बहुत पिलाते हैं मौके मौके पर आप लोग ।

The increase of developmental expenditure has been only 32 per cent. Now, look at the comparison. On the

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one hand, developmental expenditure, which is a vital need of this economy, has risen upto 32 per cent while the demon of non-developmental expenditure has risen by 27 per cent. This is where I wanted the Finance Minister to come boldly and announce to the House what he proposes to do about it, because this cannot go on; it has now reached the saturation point, beyond which non-developmental expenditure cannot be allowed to go.

If you compare this with the national income at current prices, you find that the national income has risen by 8 per cent, that is the annual rise. This is as against increase in governmental expenditure of 30 per cent. Where is the balance? On the one hand, you say that it is not only an administrative economy, this is not an administrative stage, this is not a state whose primary responsibility is to discharge her civil service obligations; on the other, we find that administrative expenditure has been rising annually by 30 per cent while the national income has been rising by a mere 8 per cent. This leads us away completely from the path to which this country is committed, namely, that the concept of the economy is that of a welfare state. Where can the welfare of the country come where there is so much imbalance between governmental expenditure and the national income? The governmental expenditure should be proportionate to the income of this country.

We are living beyond our means. No less a person than the former Finance Minister himself agreed, in a note circulated in the Bangalore session, that we are living beyond our means. Shri Kamraj, the Congress President, has reiterated in the Jaipur session that we are living beyond our means. Shri Bhattacharya, Governor of the Reserve Bank, reiterated this only a few days ago in his speech—I believe he must have consulted the Finance Minister before making that statement . . .

An hon. Member: Normally.

Shrimati Tarkeshwari Sinha: Normally that is done. He has himself said that this country has started living beyond its means, because the inflationary pressures in this country have become so much that in whatever way you finance this country's expenditure, it is bound to be inflationary.

We have come to that stage. Why? Because it is a reciprocal thing. On the one hand, you do not decrease expenditure. It creates a vicious circle, a chain reaction. You do not check expenditure. Then there is a shortage of foreign exchange, there is a shortage of technical know-how, there is a shortage of so many other necessary things to be done—because a very large chunk of the income is consumed on non-developmental expenditure, Government's civil expenditure, apart from defence expenditure. Defence expenditure is of course vital and nobody grudges any increase in that; but his own budget has shown a very modest increase in defence expenditure—in fact, he has not shown much increase. Therefore, that point need not be mentioned at all here.

What is the capacity of the industry today? Let us take the period from 1960. We have been having some kind of foreign exchange stringency even four years ago. The situation was not better so far as the aspect of utilisation of resources was concerned. When we created resources for our economy, it was our responsibility, our moral obligation, to utilise those resources which are very precious, because this country is very poor and we have to see that the maximum utilisation of resources takes place.

Now, what is the assessment of utilisation? The figures are reveal-

ing. I would like to cite some vital industries in the country. First the metal industry. The utilisation of capacity is even less than 50 per cent; the unutilised capacity is more. Under-utilisation of capacity comes to 54—56 per cent. In machinery—excluding electrical machinery—the non-utilisation of capacity comes to 30—60 per cent. In electrical machinery, unutilised capacity is as much as 43—45 per cent. In transport, it comes to 42.25—45 per cent; in chemical and chemical products, the figure is 56 per cent.

This is the average unutilised capacity. If you take this as an indicator—these are all vital industries—it will be no exaggeration to say that 50 per cent of capacity in the country is going unutilised. I want to ask the Finance Minister how this country can ever accept and tolerate such a situation. That on the one hand resources are so scarce and on the other hand such a vast chunk of our resources should be unutilised and go to waste is a national calamity and a national disaster. If nothing happens, Mr. Masani's words will not be doomed words, but they will become true, and we do not want Mr. Masani's statistical abstraction about the destruction of the economy to come true. I would appeal to the Government to realise this serious economic factor and do something. Unfortunately, Mr. Chaudhuri's budget did not indicate anything. He did not have enough time, I agree, but then who is going to take the responsibility Sir? You are not, but he is going to take the responsibility. It may be a very unpleasant task, a very difficult task, but he cannot shirk the credit as well as the blame of the economic mirror.

I do not want really to begin a debate about it, but there are some vital things in food which are still being overlooked by Mr. Subramaniam which pains this country. I would like to mention some of these things. Again, I come to the same point of non-utilisation. When so much hue and cry is made, when reports come to us from other countries in the world that children of the other countries of the world have stopped their midday meals to supply food to India, not only our heart goes to them, but it also creates a sense of humiliation in us. It is a peculiar psychology of this country that on the one hand we have to express our gratitude to the persons who are aiding us, and at the same time it is also humiliating to us. This is an indication of the debate that goes on in the Congressional Committees of the USA. The Agricultural Committee, presided over by Mr. Ellendir, has charged that India has not been willing to seek emergency aid from other countries, that she is consciously and intentionally trying to lean only on the heavy burdens of America. When we put our hand in the pocket of a country, we find that it is not velveted; we find that there are a lot of thorns which hurt our fingers, which hurt our self-respect, and yet we cannot sustain our economy without putting our finagers into the pocket, which is embedded with so many thorns.

I agree with Mr. Subramaniam that he is not going to sell this country. I know this. I have faith in him. It is only because of the situation in the country that he had to go to America for seeking such aid. Yet, how can he make us digest these humiliating facts which come to us every day in the newspapers?

श्री मधु लिमये (मुंगेर) : माननीय सदस्या इधर आ जायें। वह बड़े जोरों से विरोध में बोल रही हैं। उन्होंने मसानी साहब को दावत दी है। उनको भी यहां काफी इन्सेन्टिव मिलेगा! हम उन को इधर आने की दावत देते हैं।

श्रीमती तारकेश्वरी सिन्हा : मेरा खयाल है कि माननीय सदस्य अंग्रेजी समझते तो जरूर हैं, लेकिन अपने कान बन्द

[श्रीमती तारकेश्वरी सिन्हा]

कये हुए हैं। मैं ने एक्सपर्ट्चर के बारे में मसानी साहब के आर्ग्युमेंट की दाद दी थी।

श्री मधु लिमये : इसी लिए तो हम उन को दावत दे रहे हैं।

Shrimati Tarkeshwari Sinha: I would like to take some of the figures. What is the figure of Punjab and Rajasthan which are surplus States today? I do not mind that in view of the shortage of food, he is supplementing food momentarily from other countries, because it is a *fait accompli* now. We cannot do without that. But what is the situation now?

Probably you would bear with me when I say that in Rajasthan 30 lakhs bags of gram, are lying unutilised and there is 20 per cent wastage in that stock of grams. What is the price that the Rajasthani farmer gets for it? The argument is being given that by zonal controls we are giving an incentive price to the farmers. This is a complete fallacy. Traders were buying from the farmers, not only from the farmers but from the market also, at Rs. 85 per quintal, but they were forced by the Rajasthan Government to sell it to the Rajasthan Government at Rs. 40.50 a quintal. How was it compensated? Naturally, the trader cannot pay Rs. 85 and give it back to Government at Rs. 40.50. So, he was permitted to export 50 per cent of his gram to Gujarat, Maharashtra and Madras, where he was selling his gram at prices varying from Rs. 110 to Rs. 120 a quintal. The Rajasthan Government was having the satisfaction that they have been able to give a little more price to their own farmers, while buying very cheaply themselves, while selling that commodity in other States at Rs. 110 to Rs. 120. But are not poor people living in Gujarat and other States? If the Rajasthani farmer or consumer has no capacity to purchase gram at Rs. 80 or Rs. 90 a quintal, should we say that the farmer or consumer of Maharashtra, Gujarat or Madras has got capacity to purchase this gram at Rs. 120 a quintal? This is what has happened.

Besides, out of that gram, 30 lakhs bags of gram are lying unutilised with the Rajasthan Government, and the traders themselves say that there has been a loss of 20 per cent.

And now such a hue and cry is being raised in Punjab and Rajasthan that new crops are coming in, and therefore Government should take all these stocks from the godowns, because the new crop will be completely damaged by being put in the same godowns where these weevilled and adulterated wheat and gram are kept.

We are now getting in Delhi Punjab wheat. Members of Parliament are themselves there. They should go to the ration shops and see how this Punjab wheat looks like and how it tastes like. The Punjab wheat that is given in rations here, called desi wheat, is completely rotten.

Then, there is a peculiar concept in the Food Ministry of giving storage loss to the trader. Six to seven per cent storage loss is given to the trader, and the Government also, in stock-taking, gives this six to seven per cent concession, but another department of the Government, *i.e.*, the Finance Ministry, the Income-tax Department, gives only half to one per cent loss for the same stock of foodgrains to the businessman or trader. When the stock-taking is done, there is an average loss of seven per cent allowed, and therefore a decrease of seven to eight per cent after recalculation. I think I have made myself understood to the House.

Then, about rice. We were originally producing 40 million tons, and last year when we had a bumper crop

of 88 million tons, I think it must have been approximately 45 to 48 million tons. Do you know that out of this 45 to 48 million tons, because of the faulty milling of rice, nearly 2 to 3½ million tons are lost? It is because of the very out-dated manner in which it is being milled. This rice-milling has not been given attention. It is all right to condemn rice-milling traders or anybody, but then 75 per cent of rice is handpounded by the farmer because there is no improvement in the technique. There is so much improvement in the industrialisation of this country, but these little things, which are causing a waste of 2 to 3 million tons of rice, are not attended to.

I would like to say that this is quite a dismal picture, and I hope Mr. Subramaniam will devote his attention to this economic aspect of saving waste in the foodgrains in this country.

Last but not the least, I would appeal to the Finance Ministry to say something about this rupee devaluation. In a Congressional Committee, the Under Secretary of the United States says that they have advised the Indian Government to devalue the rupee. He also creates an impression that the Indian Government is in constant consultation with the American Government and other bodies about the devaluation of the rupee because the rupee is overvalued. The Finance Minister did not utter a word about this in his speech. It is high time that the Finance Minister took it very seriously. It is not a small matter. We shall be ruined if we devalue the rupee, because our import bill is still very large. Mr. Manubhai Shah is looking at me. He knows that there is already a big adverse balance of payment. Therefore, it will ruin us. The import balance is very much adverse, and therefore, whatever we are expecting to gain through devaluation in export, which will not come, I am sure, because there are so many other bottlenecks in export, it will certainly ruin our import, and it is going to lead this economy to a completely insolvent state. Therefore, I would appeal to him once again to clarify what he means by this, and say whether he should not keep the value of the rupee intact.

Shri H. N. Mukerjee (Calcutta Central): Mr. Deputy-Speaker, Sir, the Deputy Leader of the Swatantra party in this House has made a speech which very well deserved the siron blandishments from the charming lady who has just sat down, and I am not astonished, because read between the lines, his speech is a pat on the back for the Finance Minister. If he is grateful for such scant comforts he is very welcome.

The Finance Minister, as we know, is noted in this House for his politeness, the kind of pleasant individual that he is, and to me he has been a friend of long standing. But in public life, he has been, I am sorry to have to say, pitchforked in peculier circumstances into his present position. And because he has been known for a long time by the company which he kept, the company of tycoons, Indian as well as foreign, it has not been unexpected that in the budget which he presented the other day, he has sung in dull and dismal tones dirgo to planning and to all that Government has proclaimed so far howsoever hypocritically, about its objective of socialism.

I do no know how our good friend, the Minister of Planning, who can look after himself as far as parrying the thrusts of his old-time friend, Shri Masani, is concerned, feels, as he takes his seat in the wings, when the Finance Minister occupies the centre of the stage. The Minister of Planning said at Sagar—where we spoke of nationalisation of banking, and on that account has been whipped by his bosses very soundly and today by Shri Masani also into the bargain—something which was very unexceptionable. I am quoting his words:

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"Our economic and social foundations are straining at the leash, to be metamorphosed into something which they are not at present, namely, institutions of a socialist order."

It is a basic statement, and Government, if not entirely hypocritical, which I am afraid it is, about its professions of socialism, should do something about making sure that institutions which at least partain to a certain extent to the socialist order, would be there, so that some progress, real sizable progress, could be made. But disregarding all that kind of basic assumption, which is the only redeeming feature of Congress philosophy, disregarding all that, the Finance Minister has presented the budget, a budget welcome only by the people whom his predecessor had decribed in a picturesque phrase, as man-eaters who stalk our economy, a budget which is thoroughly reactionary, which does nothing more than merely perform a very temporary holding operation, a budget which is entirely out of keeping with the spirit which has to be injected into the mind of the people, for otherwise we cannot survive in this world of conflict and difficulties.

This is a budget which is not only conservative and drab, but it is a defeatist budget which brags of production-orientation, but forgets the people who are our greatest capital, and it makes concession after concession to the topdogs in our economy.

In this budget, I find not the slightest suggestion of succour to an agonised and angry people, not even the most meagre of hopes for holding the price-line; even Shri Masani has to talk about it, because our people are in such a mood that whatever politics is professed, Swatantra or paratantra, you have got to do your duty by the people. In the budget, whatever indications are available show that there is virtual abandonment of development, a decision in the convenient disguise of pragmatism, which may mean all things to all men and nothing in essence, to give up serious efforts to build the growth potential of our economy. Moreover, there is in the budget not the remotest hint of any democratic social change about which the heart of Shri Asoka Mehta really aches but he can do nothing about it, being in the company which he has chosen to keep. There is no remotest hint of any democratic social change, but clear indications of persistence in the ugly process of assisting the advance of Indian capitalism which is topheavy in structure, which has behaved in the most immoral fashion which is always ready to sacrifice India's interests for the sake of its own profit.

More than 10 years ago, Prof D. R. Gadgil, in his note to the Panel of Economists, said about the fundamental inconsistency of our industrial policy which had been that it had sought on the one hand to lean on modern private enterprise for capital formation and, on the other, to set its goal of preventing concentration of wealth and economic power. This is something which cannot be done. You cannot ride two boats at the same time, when they might veer away in different directions. I know the ruling party has a massive majority in this House. But the country will curse this budget. If this budget indicates the shape of things to come; than good-bye to all that the country has been hoping for.

As I said a little while ago about pragmatism, it is the fashion these days in Congress circles to be pragmatists. The silly fad of ideology, in which Shri Asoka Mehta rejoices according to his very good friends, must go; a break with socialism must take place. Indications have been given by the Finance Minister in that direction. Which is why, in his own sophisticated way,

'Shri Masani has patted him on the back. To symbolies this, he has taken a serious step. The expenditure tax has been abolished, and gift tax is further attenuated. True, given the blackguardly character of class forces in operation, the yield from expenditure tax has declined in recent years, but the Finance Minister has thought fit to kill it outright. Business tycoons at home and the World Bank abroad—questions that the Finance Minister answered during Question Hour this morning—made it quite clear that the world in this country as far as its financial authorities are concerned, is the World Bank! And the World Bank has to be satisfied that we are reforming ourselves, that we have to got rid of the ghost of Nicholas Kaldor; that we go in, not even for what the former United States Ambassador, Prof. Galbraith, has decribed as India's most negligible post-office socialism. We are forgetting even that and we are resiling even from that and naturally the hearts of the like of Shri Masani are very happy.

It is egregious that the tax on bonus shares has been killed along with the capital gains tax on bonus shares.

Shri M. R. Masani: Was it raining or was he dreaming when I spoke? I am surprised. (*Interruption*).

Shri H. N. Mukerjee: I am afraid we speak very different languges. I learnt the language perhaps in the wrongest way. I am very sorry. It is egreious that the tax on bonus shares has been killed along with the capital gains tax on bonus shares. Already, The Economic Times of the 4th March speaks of the spurt in bonus issues and there are a large number of companies with free reserves and surpluses disproportionately high in relation to the paid-up capital. They are going to have a very merry time, because of the advantages which the Finance Minister has chosen to offer them. To gladden the heart of the money-bags, the tax on equity dividends has been modified, on account of the susceptibilities of those who hate being bothered by what they call these miserable psychological irritations." Our tycoons are irritated! The people might be angry; they might take recourse to all kinds activity and they would be supressed and condemned in the House by Government. But when the tycoons are irritated, the "psychological irritations" must go, because the future of our economy is to be moulded and fashioned by these people who have detrayed the deepest interest of the country and who, over the last 15 years, when the Plans have been in operation, have behaved in a manner which has disabled any kind of progress and their whip-hand on Government has brought about this very sorry state of affairs.

An amount equal to 10 per cent of the paid-up capital has been exempted from the tax and what would remain would be chicken-feed as far as they are concerned. The rate of surtax on company profits has been brought down from 40 to 35 per cent, a most unusually generous treatment. A development rebate scheme is proposed for tea, newsprint and printing machinery. Private shipbuilding also finds its share of the Finance Minister's bounty.

Only in order to modify slightly the shameless glare of such a surrender to private business, marginal upward adjustments are mentioned in the rates of tax on corporate incomes. But this could hardly be avoided, given the parallel increase in tax rates on individual incomes. Even this mild little blow has been softened. For example, the definition of closely held companies has been tinkered with in order to provide relief to some more injured tycoons, whose "psychological irritations" create so much worry in the minds of the Finance Minister and his friends.

Except for a slight concession to a section of the lower middle-class, namely, the raising by Rs. 500 of the

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existing limit of personal incomes not chargeable to tax, there is nothing whatever in the budget for which a good word can be said. This gesture has cost the Finance Minister an infinitesimally small amount and let not my friends on the other side, the Congress Members, make a song and dance about this particular concession! This trivial little benefit will be more than wiped out by the rise in prices of sugar, tobacco, cloth and other essential commodities and a flat surcharge of 10 per cent, a device which will hit the budget of lower-income groups much more sharply while for the higher brackets, they are a flea-bite, and they are specialists in evasion. Mr. Masani was asking about money being found by collecting the arrears of income-tax and other taxes. We know very well who are the people who evade taxes, who do not pay even when the ascertainment of the tax due from them is made. They know the ins and outs of the matter, and on top of it they are getting all these concessions.

Of the total sum of a little more than Rs. 101 crores which the Finance Minister has proposed as additional taxation, more than half will be from indirect taxes which hurt the people. These aggregate proposals have a repressive character, which must be roundly condemned. By such imposts which I can only call cruel as the duty even on khandsari, the Finance Minister has made excise duties the biggest source of additional revenue. It is ridiculous for him to claim piously that inflation was a major threat to the economy. Government is not sure if it can for long avoid decontrolling sugar, and changes in excise rates threaten escalation of prices, which a sorely aggrieved people can hardly suffer.

The Finance Minister has said in his speech that he wishes to make the excises as economic regulator on consumption on the model of purchase tax in the UK. Apart from an increase in inter-State sales-tax—perhaps because the Centre is doing the taxing for the State Congress bosses in a pre-election year—he has empowered himself to impose a regulatory duty upto 15 per cent by Gazette notification. The inevitable result of all these will be a general rise in commodity prices and not merely of those subjected to increased duties. A case in point is the enhanced tax on finer fabrics, as a result of which not only finer fabrics, but all kinds of fabrics are going to have their price rise. Another instance is light diesel oil, to which reference was made by Mr. Masani also.

While the suffering of the people is ignored, the Finance Minister boldly makes concessions to his friends and patrons. In the financial year 1965-66, big business was able to bring down the tax revenue expected from them to Rs. 330 crores against the estimated Rs. 372 crores. This was a sort of "tax strike" by big money interests and this "tax strike" has been largely effective. The Finance Minister expects now in his latest budget the natural increase in tax revenue from them to be only Rs. 10 crores! From those who have brought down the collection by a sort of tax strike by more than Rs. 40 crores, he expects an increase of only Rs. 10 crores and by accustomed tactics they will nullify much of the expected accrual from additional taxation.

The Finance Minister's heart bleeds for what he calls the "malaise in the capital market", but not once in his budget speech he makes a reference to the Mahalanobis Committee's report nor even to the report of the Monopolies Commission. They have no relevance, as if the economic situation in a budget speech like this could be described without reference to the findings of these committees! He does not mention the fact that two big houses control 44 per cent of the total shares in the corporate sector and three top producers control more

than 75 per cent of hte total production in certain sectors. All this kind of thing has no relevance for him! He favours, of course, as he is naturally expected to do, new concessions to foreign monopolists. The British-dominated tea industry, for example, will be given a larger developmental allowance. In deference to the wishes of US big business, the World Bank, the IMF and such other contraptions he launches what he calls a "more liberal import policy". So, import restraints will be reduced, when our foreign debts are already in the neighbourhood of Rs. 3000 crores and interest charges on them account for Rs. 1500 crores in the next five years! This is the kind of melancholy picture with emerges out of the Finance Minister's statement.

The Finance Minister is almost apologetic that he could not further chop plan expenditure, for which Mr. Asoka Mehta possibly had pleaded, but ultimately he had to be satisfied with certain things; but it was quite clear from the way the Finance Minister talked that he wanted to chop plan expenditure a great deal more than he has done. He says in sorrow:

> "Expenditure on continuing schemes have to be provided for in the interest of speedy implementation."

They have to be provided for; there is no way-out and I am very unwillingly allotting something as far as plan expenditure is concerned—that is what he says. As it is, he has taken enough care to ensure that not much remains of planning and the plan. I would like to hear the Minister of Planning later in the course of the debate, because whenever my friend Mr. Bhagat has given some answers about planning, I feel the whole picture of the plan is going to be not only distorted but destroyed altogether. It is very necessary that the Country is reassured on this point. But if the Finance Minister's budget, which is the basic thing, the most important statement made on behalf of the government in this regard, is any indicator, the position is very dismal indeed. As I said, he has taken enough care to ensure that not much remains of planning and the plan.

In contrast to increase in defence expenditure, the total capital outlay in 1966-67 will be only Rs. 1952 crores, less by Rs. 296 crores as compared with the current year. In so far as the plan outlay goes, the proposed figure is Rs. 2081 crores, Rs. 144 crores less than the current year's budgeted plan outlay of Rs. 2225 crores. The Finance Minister should rejoice that after 16 years of planning, this will be the first year when the plan outlay in a subsequent year has been deliberately pushed below the actual outlays of previous years! Even this truncated figure seems somewhat doubtful. The magnitude of expenditure on the plan during 1966-67 will be contingent on the availability of external aid of the order of Rs. 490 crores. This is apart from PL 480 accretions which have flown into the budget structure. This is something which has never happened before. This should be specifically investigated by a parliamentary committee or some body like that, because an enquiry into the impact of PL 480 transactions has been called for a long time now. And, now the PL 480 accretions are being made part of the budgetary structure of our country. It is a very dangerous symptom and we ought to have satisfaction in this regard.

Apart from this Rs. 490 crores foreign aid, a sum for which the Finance Minister takes credit, if in spite of our docility, in spite of our Prime Minister going to Washington, in whatever mood they want her to go there like, if in spite of our Minister of food imports, Shri Subramaniam, running with his begging bowl from one place to another, if inspite of old America hands like Shri S. K. Patil, this aid, suppose it does not come through or it does not come through in the stipulated quantity, there

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would be corresponding curtailment in the plan operations. Can it be, therefore, that in the name of "difficulty"—the situation is difficult and if there is difficulty it has to be faced and overcome—the battle for the annihilation of all our efforts for economic and social progress has finally been joined? Is it that in the name of holding the economic structure somehow, because otherwise it might collapse, we should say, oh! we are in such a bad way, we do not have food, our industries are collapsing and all that sort of things, we are entirely dependent on foreign support, by exaggerating this picture of dependence which is not true, which most of our economists consider to be an utter exaggeration and a most purposeful exaggeration? But I fear in this kind of way an effort is being made to wipe off whatever, even in a very humble way, was sought to be done in the last few years.

At a time when the idea of self-reliance was very much before the country, the idea of a new swadeshi movement was before the country, the idea that the patriotic feelings of the people could be mobilised, when you could tell the people that we were going to have a self-reliant economy and for that purpose, since sacrifice will be equal, we shall be even ready for self-denial, at a time when we could go to our people and tell them, show them, how foreign aid implied all kinds of most objectionable concomitants, at that point of time, specially after the experience which we had in the last year when the Indo-Pakistan confrontation took place, when our difficulties became so terribly acute, it was at that point of time that we could start a new Swadeshi movement.

But, instead of that, what do we find? Shri Masani talked about American aid, how they would examine everything and all that. Even this morning the Finance Minister said that the World Bank if it is to give us a loan, after all they are creditors and they would examine what are the projects we are asking the loan for. When I ask a loan from somebody, if that somebody insists that he should examine whether I spend it in drinks or anything, I would not have that loan from him, I would go to somebody else. It is not that our hands are not clean. Our hands are clean. You may feel that we can show everything to the world. But we are a sovereign country. We know how the United States operates. We know how the Central Intelligence Agency and other instruments operate from the United States. We know how they say that they make and unmake governments. We know how they are suspected to be behind what is happening in Indonesia, in Ghana and God knows in what other country. We know how these people can operate. And, if apart from the grip which they have in the normal course of things, they have an additional grip over our own country, they have the power of supervision over the projects which they are so magnanimously assisting in their own way, then good-bye to all hopes not only of a self-reliant economy but good-bye even to honour.

I know I shall be attacked as a person who is exaggerating things, but this is the kind of behaviour on the part of the Government typified by the latest budget which says that the government of this country is almost shutting up shop as far as our independent economic development is concerned and it is behaving in a manner which no self-respecting people can tolerate.

I am sorry, my hon. friend, Shri Manubhai Shah is not here. He said a little earlier, defending imports an dexports, that last year only Rs. 200 worth of cosmetics came to this country. But look at the way things have gone on. I am quoting from the bulletin of the Controller of Trade (Imports and Exports). In 1963-64,

after the emergency, after the Chinese incident, chemicalised soaps and medicinised cosmetics of the value of Rs. 8.8 crores were imported into this country. Luxurious cars of the value of Rs. 2.80 crores were brought into this country. Food commodities of the value of Rs. 66.96 crores were imported into this country. Radiograms and cameras of the value of Rs. 12.06 crores were brought into this country. Now we are going to have television and God knows on what other contraptions we are going to spend money. We are going to spend money on these and things are to be brought from abroad affecting the entire economic structure of this country. Is this Gandhi's country? Is this the country where we can appeal to the patriotism of our people and ask them to put out whatever they can for the sake of the country? At a time when the new exigency came into the picture, though at one point of time some of our Congress friends said that we should go ahead with the swadeshi movement, nothing was done.

Shri K. D. Malaviya: Is he sure of the figures that he gave about imports of cosmetics?

Shri H. N. Mukerjee: Medicinised cosmetics.

The Minister of State in the Ministry of Finance (Shri B. R. Bhagat): Is it Rs. 8.8 crores?

Shri H. N. Mukerjee: Anyhow, that would be subject to correction.

We have heard repeated promises about foodgrain self-sufficiency and all that kind of thing. Of course, I need not go into that; there will be hardly any time. In regard to foreign investments, Shri Masani was saying how foreign investors are very shy of coming into this country because this country has very rigid restrictions and regulations. But it is seen that apart from the foreign investments which is in this country, which is coming, apart from the fact that Sir Norman Kipping, the British representative to whom he referred has said in a report today that Indian conditions are very good for foreign investments to come in, the fact is that against the average investment of about Rs. 30 crores from abroad per year in the Third Plan, remittances abroad in the shape of profits, dividends, royalties and technical fees in the period 1959-1965 came to Rs. 281.3 crores. The break-up of figures is also there, but I cannot quote them. They have the run of the land. They get all the honey out of it and in spite of it they talk about restrictive regulations. You can go ahead, restrictive regulations notwithstanding. If we really and truly stand on our feet and face the world, they would come because they have to come. It is in their own interest to come and help us. They help us not for the good of our souls but for the benefit of their own pockets. And, this is the kind of thing to which this country's government does not seem to give much attention.

This morning there was a question about foreign exchange transactions of a most dubious order by private tycoons who were going abroad. Nearly Rs. 1.83 crores in foreign exchange were given. Do we calculate the amount of benefit which we get as a result of the peregrinations of these globe-trotting tycoons of our country? Foreign exchange leaks to the order of Rs. 93 crores have taken place. But we do nothing about it. What have we done to secure from Indian nationals abroad remittances of foreign currency? We can do it. Even from Hongkong we have got a very sizeable amount—a petty little spot on the map. But we have Indians all over the world who can, if their patriotic feelings were appealed to, send us money in order to help us. How can an honest appeal be made? There is a fig-leaf of morality on the activities of the Government. But corruption is rampant everywhere. In regard to such things as prohibition, for instance, it is a fig-leaf of morality sought to be thrown upon Government and its policies. There is no dearth of people who thrive on what they call "a spot of Tek Chand" or what the Tek Chand report itself calls

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rather endearingly, "Battle of Waterloo". All this goes on merrily. We cannot collect money for the country and in the meantime corruption and inefficiency is the order of the day. This inefficiency and insensitivity to decorum is seen in such things as the gubernatorial lapses as when Shri A. P. Jain continued his membership of the AICC and functioned as the voting instrument in Congress elections, while remaining Governor of a State. There is the case of the Governor of Rajasthan who in the presence of the Speaker of the Legislative Assembly asked members of the House to be pushed out by the Marshal! This kind of incident takes place only because of the prevailing atmosphere of indecorum. Do not please blame only the people for some time running amuck. The Government has run amuck. The ruling party has run amuck and the ruling party depends on such things as the DIR and the operation of the emergency. The result is corruption, which is an inevitable consequence of degeneration of power in the hands of Government, as is happening in our country.

15 hrs.

[SHRI SHAM LAL SARAF *in the Chair*]

I will finish in a couple of minutes. Today the conditions are such, particularly after Tashkent the conditions are such that there might very conceivably be settlement with our bordering countries. We could on that basis proceed even in regard to the settlement of the question of Kashmir, as far as Pakistan is concerned. We could try, as the President himself suggested some possible methods—it is not for me to say what those methods are to be—for a settlement with China. On the basis of the hopes engendred by the Tashkent agreement, we could go ahead and secure for ourselves a certain respite and during that period we could proceed with economic development much more efficiently. We could also make a better assessment of the possibilities of trade with the Socialist countries.

I need not mention it in detail, but I consider it a scandal that a country like the German Democratic Republic, which has stood by us in every crisis, is still treated by us almost in a manner which from the point of view of international courtesy should be very sternly condemned. We do not even have a Consul in the GDR and the GDR Missions have made at least some kind of opening so that the kind of economic co-operation which she wishes to have with us is made possible.

From the point of view of rightful economic policy, land reforms are not pursued and the appeasement of big money interests, foreign and native, continues merrily. But I must stop.

Therefore, I say in conclusion that this is a pernicious budget with the stigma of despair writ large on it a budget which makes a fairly unashamed surrender to money bags and vested interests, which utterly repudiates the publicly proclaimed Congress policies. But, on the other hand, the people are on the move, in West Bengal, in Maharashtra, in Kerala and elsewhere out of a sense of defeat and desperation. These are the things that disfigure the budget. I am very sorry that the Finance Minister, for whom personally I have great regard as a long-standing friend, has thought fit to bring before this country a budget of such a dismal and sordid character.

Shri K. D. Malaviya: Mr. Chairman, Sir, I do not propose to act like a debating acrobat in the examination of the Finance Minister's proposals, because that will perhaps take me away from certain basis trends which I wish to examine. I must congratulate the Finance Minister for the lucid and simple manner in which he has placed before the House the budget for the year 1966-67. I would also congratulate him for mentioning unhesitatingey, perhaps in the first part of his speech, that the budget has to

be a major instrument for implementing the plans and policies of the Government of India.

Our Government, as you know, is guided for its plans and policies by the political party to which I and he has the honour to belong. No other guide-line is possible for us. As a matter of fact, none of the members of the Cabinet can dare to deviate from the guide-lines that have been laid down for us by the Congress Party. So, I shall see later as to how he has conducted himself in implementing those policies to which he has drawn our attention.

But let me state that our sympathies are with him for facing the most difficult times in recent history as far as economic development is concerned. No one should, therefore, under-estimate his difficulties. I for one personally dare not do so, because his abilities are two well-known to us treat his discourses lightly. Further, we cannot forget that he had to face the most difficult budget only a few days after he took charge of the Ministry of Finance in the Government of India. Therefore, I must be as impersonal in the examination of his conduct as Finance Minister as it is humanly possible for me to do.

Shri Masani has dwelt at great length with the exercise of adjustment between revenue and expenditure and has taken care to elaborate and confirm his previous statement that this budget is going to result in inflation. Many of us on this side know that it is an axiomatic fact for us to face that in this transitional period of our economy inflation is absolutely unavoidable and that any political party which is afraid of inflation in our society does not deserve to stay in power at the present time. Therefore, I am not interested in the exercise of adjustment between revenue and expenditure.

There are certain basic trends that I would like to see and locate to find out whether we are succeeding in taking our economy in the right direction. Of course, there has been shortfall in the current year in our income, both national and international and there has also been an extra burden on account of the Indo-Pakistan conflict. Above all, there has been the shortage of food production this year, which is more than usual. These difficulties are there and we have got to reckon with them and recognise those facts.

But, frankly speaking, these difficulties do not upset me as much as the mechanical and pragmatic approach, mind and behaviour of some of our mature statesmen in the Government They try to solve our problems of economic difficulties through a pragmatic approach which, I think, will make our economy more stagnant and confusing. Therefore, I thought that one of the essential concomitants of our beliefs is not to deviate from the political philosophy to which we are already dedicated. Once we start deviating, in a hurry, in confusion, under pressure of stresses and strains, from the basic concepts of our political ideology, we are sure to get lost and then we will be neither here nor there.

Let me, therefore, briefly and hurriedly refer to certain aspects of the budget presented by the Finance Minister. I regret to say that he has made no efforts to implement the plans and policies of the Congress Party through the exercises of this budget. In this connection, it is my duty to remind the Finance Minister what the Bhubaneswar decision of the Indian National Congress was. What does it say? The Bhubaneswar Resolution of the Indian National Congress, which is binding both on the Finance Minister as well as on men like me, everybody in the Congress Party, clearly directs the elimination of privileges, disparities and exploitation. I would like to know from the Finance Minister what single step he has proposed which will obviate and to a certain extent lessen the privileges, disparities and exploitation. Further, the Resolution directs to bring about a limitation of income and properties in private hands. Has any step been initiated in this budget to help us in limiting

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the income and properties in private hands?

Further, the Resolution directs the Finance Minister to adopt such policies as would give the Government right to control and direct the means of credit and the investible resources of the country along the lines of national priorities and our social purposes. He has not done anything of the sort; on the contrary, he has done something else to which I will just now refer. We had to make creditworthiness depend on capacity for production and not entirely on the ownership of assets and complete the whole programme of land reforms within the next two years and also to re-organize the administration so that it can implement the socialist policies of our five year Plans democratically and patriotically. None of these things have been taken note of. This Resolution had been completely ignored while these proposals of the Finance Minister were drafted. I must say that I have to charge the Finance Minister of completely ignoring the Bhubaneswar Resolution.

No attempt has been made to implement those decisions. Even an apology is lacking which makes me more sorrowful than anything else. Therefore I warn the Congress High Command to which we are all dedicated to pursue our policies and the Prime Minister to make a note of it that in the year 1966-67, when we have just entered the General Elections period, when we have to clarify the issues, there has been total ignorance, total negligence of those basic values to which we are dedicated and towards which not an inch of progress is proposed to be made.

The Congress organisation is not a dead one; it is still a kicking one and the rank and file would like to demand from the Government as to why those basic pledges which have been given to them and to the people of India are being ignored through these routine Budgets year in and year out that are produced before us.

Now let me specifically refer to some of the distortions and deviations that have been noticed in this Budget. Paragraph 51 of the Finance Minister's Part B speech openly encourages big houses to take away their capital outside in order to give India an evil image of an imperialist nation. Some of these big houses—our Finance Minister perhaps knows it too well—have filled their pockets and the pockets are bulging with licences in foreign countries. I would like them to inquire as to who those big houses are. The licences have been kept in the pocket only to be sparingly used at a time when they can conveniently make a lot of profit and bring a bad name to our nation.

I think, this concession in tax from 25 per cent to 10 per cent is an open but undesirable encouragement for our capital to flow from India and, at the same time, to bring us a bad name. I would personally want a firm and determined control of our Government on such collaboration schemes in order to build the correct image of India as a genuine friend of the developing countries. This concession is certainly not in keeping with the spirit of our policies and the present critical situation of capital availability. I personally feel that no encouragement should have been given in this manner for our capital to flow out particularly at this critical time and under such conditions where people are free to use their licences as they like, to build simple things like textile mills about which the words "technical know-how" and all these things have been used in the Budget proposals of the Finance Minister.

Let us examine another proposal of the Finance Minister made in paragraph 57. By this the Finance Minister gives concession to some industrial financiers to create new banks—he calls it, small corporations—in order to do business among themselves. While the demand of the Congress is growing more and more to control banks and nationalise them, our

Finance Minister proposes to give income tax relief to rich people in order to create more banks under their control with a view to manipulate cornering of industry within a small group. The rich will grow richer by the creation of these small banks and the control of the State will disappear from these banks. It is contrary to the growing demand of the Indian National Congress which rules the heart both of the Finance Minister and ourselves.

I would now like to give very briefly certain important facts of our economic condition and would only draw the attention of the House to those aspects. I believe that the pricing of our essential commodities should be evolved in a new way. The entire pricing system of essential commodities, whether they are kerosene or diesel or sugar or fertilisers, has to be evolved on a new pattern; similarly, a new economy for employment has to be evolved by us. This backlog in employment will go on increasing if we were to follow the conventional method of finding out some money and some work for the millions and millions of people that are unemployed. If this unemployment were allowed to grow unchecked and if prices were allowed to soar higher and higher unchecked by following the conventional pattern of economy of supply and demand, as was indicated by my hon. friend, Shri Masani, we will never be able to control either the phenomenon of unemployment or the phenomenon of soaring prices. We have got to deviate from the conventional pattern of thinking of our economy today.

It is a comedy that those who are restlessly striving to import extra private capital in the country for capital activities talk in the same breath of self-reliance. Why should we practice this confusion in India? This game cannot be played undiscovered. The more we try to increase our prosperity through injection of easy money and following a philosophy of get-rich-quick, the more we create difficulties for attaining conditions of social justice

I want to submit before you for the consideration of the House that in our peculiar conditions of society, prosperity and social justice cannot go together. Prosperity will have to follow only one pattern, the vertical pattern, and the more we import foreign money, the more we are anxious to grab technical know-how in this manner, the more we will create vertical heights in our society and the more we will deviate from a concept of social justice to which policy we are committed. I can only draw your attention to these things hurriedly.

An hon. Member: What is the new pattern?

Shri K. D. Malaviya: The new pattern is where the entire fiscal policy has to attain a new picture, where we are not afraid of inflation, where work has got to be put against the money that we print, where a work system has got to be evolved which has to be accepted by the people, where proper incentive has to be created for the man, where the man should know that with social justice assured he gets the security and confidence and works hard. If he goes on suffering and prices go on soaring high, you cannot control the economy and if he has to pay higher and higher prices, he will not get that confidence and will never work as he wants to. Therefore, we have got to follow socialistic principles, and a fiscal pattern which will satisfy the needs of the people.

Mr. Chairman: Please conclude in two minutes.

Shri K. D. Malaviya: I will only speak about one aspect of the food problem that faces us. I do not wish to criticize the present food policies of my hon. friend, the Minister, because he is facing difficult times and it is a delicate matter.

I would only refer to the fertiliser deal that was recently reported to have been finalised between the Government of India and certain international companies. This fertiliser deal, in my opinion, is very harmful and will not be in the interest of our

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country. It will repeat the history of the tragedy of marketing of oil. If you will allow fixation of prices and the marketing organisation in the hands of foreign manufacturers, then you will never be able to control the price or the distribution of fertiliser in the vastly changing conditions of technology. If I had the time, I would have tried to explain as to how the great international oil companies and several other international chemical companies are trying to stage a comeback through the fertiliser deal just as they came here with oil about 40 years back. They came here with rights of fixing prices of crule oil assured and made plenty and untold profits. They created the marketing organisation which is even now most difficult for the public sector Indian Oil Corporation to resist. They undersell oil in big cities and make good the loss from profits of the interior country. Similarly, they will do it here because there was high cost of manufacture of our public sector fertiliser in the country which began about 10 years back. They are outdated now. We will never be able to compete with them. We might invite them to come and manufacture fertiliser—although it is not needed in such a great quantity—and we must assure them a reasonable return on their investment. It is not at all acceptable to us to give them the right to fix their own price under vastly changing conditions of technology and economy and keen competition and also to give them the right to organise marketing system in India. There are many dangerous aspects of this deal.

I would request the Government, the Finance Minister, to create expert committees and also I would suggest to the House to create a parliamentary committee to go into details as to how this system of surrendering of prices and organisation of marketing to foreigners who might come here to help will adversely affect the future economy in the long run. That is all that I wanted to submit.

Shri D. D. Puri (Kaithal): Mr. Chairman, Sir, the two learned speeches that have been made from the Opposition Benches, one by Mr. Masani and the other by Prof. Mukerjee from Calcutta, really cancel each other. Those speeches brought loaded minds to bear upon the budget. They have pre-conceived notions and they work the exercise backwards. They start with the conclusions and then they look for reasons to justify those conclusions.

I would first of all, briefly, deal with Mr. Masani. It is very difficult to find a common ground so as to be able to deal with him. He is against the establishment of steel plants. He does not want Bokaro Steel Plants to be established. As regards that part of his argument, where he says we can establish or we could have established Bokaro Steel Plant cheaper than we are going to do, that is a matter for examination and I would not find fault with him without going into the details. But his concept, the basic approach to the problem is that he does not want the steel industry in this country. The House was spared this time of that oft-repeated gimmick the Swantantra Party saying, "We would rather import steel than wheat." Really, this is a Providential escape that it has not been repeated this time. It is often repeated parrot-like, in season and out of season. There is really no conflict between the two. We are not importing wheat because we have stopped importing steel. It is a misfortune that we have to import wheat. It has got nothing to do with steel. Some of our programmes have gone wrong and the nature has been unkind to us, etc etc. I will not deal with it in all its details. But supposing we were driven to that unenviable position of choosing between whether we would import wheat or steel as an alternative—I do not admit them as alternatives at all; the Swatantra Party says that they would rather import steel than wheat. Is there any source, is there any country in the world, which will make steel

available to us on the same terms that may be comparable to the terms on which we get wheat under P.L.-480 and so on? Again and again, the Swatantra Party finds fault with the establishment of the steel industry. There can be no establishment of any industry in this country unlesss the mother industry of steel is established.

Then, he finds fault with the control on sugar. I could have understood his saying that we have reached a stage where we can, at any rate, for the time being do away with the statutory price control. There may be a difference of opinion as to whether that is desirable at this stage or not. But he says that even releases of sugar should be completely decontrolled, leaving the sugar industry, where the weakest link in the chain is the cane grower—he has to sell his cane which is a perishable commodity within a specified period—to the ups and downs of *laissez faire* economy is not going to take us anywhere at all. I do not think anybody connected with the industry, who understands the industry, is prepared to recommend decontrol of all the aspects of the sugar industry including the minimum price of cane, etc. etc. The result will be violent fluctuations in production. Really, there is no common ground with that kind of approach to our economic problems.

The learned Prof. Mukerjee has waxed eloquent on the great concessions that the Finance Minister has given to the industrial tycoons and so on, namely, the very limited relief on the bonus issues and the dividend tax. I will not deal with that at this stage. But he has conveniently forgotten that after taking into account the reliefs that the Finance Minister has given to the corporate sector, the additional taxes that he has levied, minus the relief that he has given, are going to result in an additional taxation of Rs. 36.5 crores in one year. He has conveniently forgotten that. That is immaterial for him but those concessions are important for him and the Finance Minister has done all this to help tycoons etc. He has conveniently forgotten the fact that it is a very interesting phenomenon that the income from the corporate taxes, the realisations, is to the tune of Rs. 73 crores, lower than expected, even though the excess revenues are Rs. 16 crores in excess of the budgeted figures. It points only to one fact that basically more has been produced than expected but the profits have been lower. What does it show? That he conveniently ignores. He is more concerned with the personality of the Finance Minister and what company he keeps. That is a very unfortunate approach. We should be concerned with what is being said and not who is saying it, leave alone what company he keeps. It is an entirely wrong approach.

In regard to foreign aid again, the approach is the same. Criticism is levelled against foreign aid coming from particular sources only, irrespective of the terms or irrespective of the need of the country. Certain foreign aid is bad under all circumstances. That is the approa h to the problem. That kind of a thing can be understood and it was anticipated that he would say like that.

Now, I will make my own observations in regard to the Budget. There are three great problems. The three great difficulties that loom large on our economic horizon are inflation, the lifeless capital market and the problem of foreign exchange. These are the three problems that the Finance Minister has to face and we have to judge the Budget by these yardsticks as to how he gets the fiscal resources to bear upon the solution of these three problems.

Let me take the problem of inflation first. Run-away inflation is on the gallop. This is a very serious matter. In a very slow and pains-taking manner, we try to improve the standard of living which inches itself forward gradually.

Then comes the rise in prices and the whole inter-state economy. All

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the efforts are neutralised and the net result is that we go down. That is the most serious problem that the Finance Minister is faced with.

What does the budget do about cost of living? I will not go into the details. Shri Patil yesterday waxed eloquent about the reliefs he has given in the freight rates, by a little manipulation of figures—they are called marginal adjustments—a little here and a little there. The net result is that the revenue, on account of freight, will be Rs. 18 crores more than that of last year.

An hon. Member: That is sugar-quoted.

Shri D. D. Puri: The term 'marginal adjustments' is a very convenient vocabulary. But every pie of this Rs. 18 crores in going to be passed on to the consumer; it is going to be added to the cost of living and it is going to push up prices to that extent. What has the present budget done? The inter-state sales-tax is being raised by 50 per cent. This inter-State sales-tax is going to effect the developing States more than the developed States because developed States have got a steady local market for their products—big cities like Bombay, Calcutta, etc. The developing States have to sell their goods outside their States and they will have to pay 50 per cent more of inter-State sales-tax than what they were paying before and every penny of it is going to be added to the cost of living.

Then come excise duties. Sugar is going to cost more. Diesel oil which is essential for agricultural operations is going to cost more. The rate of lending is going up. The Bank Rate is 6 per cent and borrowing from the Bank is not possible below 9 or 10 per cent. I might observe here that the cost of credit, the cost of borrowing, is an essential ingredient of the cost of production, in every aspect of our economy. There cannot be any industry, any trade, which can function without borrowing. That is also adding to the cost of production. Every little thing in every aspect of life is adding to the cost of living.

In regard to States, they are on a free spending spree. In all the State budgets you will find that there is deficit financing at the end, Rs. 3 or 13 crores or 25 crores depending upon which State it is. "It is proposed to leave the deficit uncovered" is what they say. We know what this "leaving the deficit uncovered" means. It means overdrafts from the Reserve Bank; it means that printing presses that are turning out money will be working overtime so that the States can meet their deficits which are conveniently left uncovered. With all this, the greatest paradox—I would call it the greatest tragedy—is that we levy all the taxes in the name of reducing prices. Every one of them is going to increase the prices. I do not see how it is not going to increase the prices. But it is all being done in the name of reducing prices.

Mr. Chairman: He may conclude now.

Shri D. D. Puri: I speak about once in a year . . .

Shri K. D. Malaviya: This is not at all fair in my opinion that when a member gets into his strides and wants to make a point, he is just stopped and gagged so that he may not be allowed to speak. There should be an equitable distribution of time. Will you please reconsider this.

Mr. Chairman: The Chair has no difficulty. In his name I have considered it.

Shri K. D. Malaviya: Please accept my formal protest.

Shri D. D. Puri: I speak about once in a year. I speak principally on the budget.

The only way out of this difficulty is to cut down the expenditure. I will not deal with that matter in detail. There is practically unanimity in this House that the expenditure has to be reduced. But it is somewhat surpri-

sing that non-Plan, non-developmental expenditure has gone up to the extent of 11 per cent in one single year. I am not going into the details, but that itself is its own condemnation.

I have certain suggestions to make. In regard to reducing prices, Government should make a start itself. Government should choose certain industries which are controlled industries and which can satisfy Government that any relief given to them will be passed on to the consumer one hundred per cent and then they can make credit cheaper to those industries and also give them the benefit of a lowered railway freight; then they will really make a beginning in reducing prices. I have worked out the cost to the revenue. It will not be of any sizable nature so as to create any difficulty.

Then the other aspect of the matter in this: having reduced the expenditure, you should side by side increase production.

The budget gives relief in surtax. I have not been able to follow the logic of it. Surtax is applicable to higher slabs of earning and not to lower slabs of earning. Relief should first have been given to the lower slab of earnings. It seems to me, though it is not clear in the speech, that this is meant as an incentive to larger production. If that is so, I would urge that incentive to larger production should be tied up with physical production of goods and not with profits realised thereon. I recommend to the Finance Minister the excellent start made by his predecessor by giving excise duty rebate to those who produce more. You produce more and you get the rebate. That will be an inducement to produce even at a loss. If you only give a rebate in surtax only on the profits that you make on production, that is neither right nor is it going to bring about any result in reducing the prices.

I now come to the second problem. That is, the capital market. The capital market is dead, dead as door nail Broadzased equity holding is desirable and it is in the larger interest of the country that a larger number of people should be holding equity shares in industires . . .

Mr. Chairman: He will conclude within three minutes.

Shri D. D. Puri: It is impossible. . am making this speech after about 1½ years.

The dividend and bonus tax reliefs which are given are welcome, but the additional taxation, as I have said before, even after taking into account the reliefs given upto Rs. 36.7 crores., is not going to put any life in the market.

I have two suggestions to make. In regard to the basis of company taxation, the old system was that the company used to pay income-tax on behalf of the shareholders and certain deductions used to be made at the source. The poorer shareholders used to get a refund from the Government. The richer shareholdes used to pay the difference between their individual rates and the rate at which the company had paid for them. Now that has been taken away. This is a wrong approach. The old system operated for the benefit of the poorer shareholders. Similarly, looking at the same thing from another point of view, the new 10 percent tax that you have levied is going to hurt the richer and the poorer shareholders alike whereas in the old system poorer shareholders probably were not to bear any part of it at all. I recommend that the old system be restored.

The other suggestion that I have to make is this. The distinction between the closely held industrial companies, i.e., what we used to call 26A and now 104 companies, and the public companies has been narrowed down, but it should be done away with completely because previously the distinction was justified by the fact that companies were forced to declare dividends so that Government could tax them in the hands of the

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rich shareholders. Now that Government recognise the necesity of the companies' ploughing back profits for larger production, the distinction has to be done away with; the entire distinction between section 104 companies and the other companies should be finished. In any case, they should be exempted from the dividend tax.

I now deal with the last point and that is about the difficulties of foreign exchange. It is true that large imports, mainly on capital account, and the squeeze applied by the friendly nations in the recent past, have created a very difficut situation for us. Similarly, our exports, the notoriously inelastic demand for our traditional exports have suffered because of the import tariffs imposed by even some of the developed nations. Our Commerce Minister has shows what a vigorous approach can do. Nevertheless, those efforts have to be backed by fiscal policy. Here, I make a very unconventional and untraditional and unexpected suggestion. I recommend a further dose of increase in import duties and the utilisation of that money for further incentives on exports, because that, to my mind, would give us all the benefits of devaluation without any of its ill-effects.

Finally, I just want to put in a word for the Punjab. The Punjab has bled white in this conflict with Pakistan. The economy there is completely uprooted. We do expect that the Government of India in this budget would do something specially for the Punjab, and pay a special subvention grant of about Rs. 15 to 20 crores so as to be able to put the Punjab on its feet again.

Shri U. M. Trivedi: Very recently, while reading a magazine on economics, I read a heading entitled 'Dear, Dearer and Dearest'. I thought that the gentleman who wrote that article must be an optimist. He has presumed that we have now reached the pinnacle of dearness. But the way our plans are going, and the way our budgets are framed, I cannot for a moment believe that we have now reached a stage when we can easily say that we have reached the limit of dearness. The dearness will go on increasing, and still go on increasing, and we do not know to what extent, unless and someone makes up his mind to check the inflation which is now no longer latent; it is visible to us already, and each one of us now feels it; it does not require a student of economics to tell us that we are now in the period of inflation and the increase in the dearness allowance to Government servants will only create further inflation. Unless a giant effort is, therefore, made to check this inflation, the country is not going to prosper nor would the common man's standard of life be improved.

It is true, as is very customary, that the Finance Minister puts in his speech good words for the budget which he presents. The Finance Minister attaches importance to strengthening and maintaining the confidence of the private sector as also to the more efficient working and management of the country's growing family of public enterprise. In short, he says that there should be a rising level of productivity both in agriculture and in industry, greater efficiency, restraints in Government expenditure, higher savings, revival of the capital market, more wide-spread equity participation and the strengthening and maintenance of the private sector; these are his wishful thinkings. Can these be achived in the way in which we are proceeding?

Shri Tyagi (Dehra Dun): Shall we not try them?

Shri U. M. Trivedi: Yes, certainly, we must try. But first with your plans, you create such a big hole that even the bottom is not visible; you may throw all the gold in the world into it and even then nothing would be visible in it. It is this that has

created problems for our country. It is this that we have got to check. These wishful thinkings are very good. We all like them. But are we going in that direction with a will? I say that we are not. The way our budgets are being prepared year after year indicates only one thing namely that it is the budget of a bankrupt who has made up his mind to file his insolvency petition. That is the only thing that we can find. Of course, there is no place where that petition can be filed. But then the patent fact still remains that it is an insolvency budget.

Let us take in to consideration the various aspects of our public sector. What happens with our public sector is that whenever a thing is made or an article is manufactured in the public sector, it costs more. Why does it cost more? Have we applied our minds to it? Have we ever considered the reasons behind it? Have we ever analysed why it is so? Very recently, I had the occasion to listen to an officer describing the running of a dairy farm; he was honest enough to admit before me that the cost of production of one litre of milk was Rs. 3.84 in the city of Agra where milk is available at only Rs. 0.55 per litre today; I am giving you the present rate. How are we going to run that dairy farm? Another officer of the commerce branch admitted before me in the course of cross-examination that a dealwood box for packing cartridges which an ordinary carpenter would supply for Rs. 9 was made at the Government workshop only for Rs. 40. These kinds of instances can be multiplied to indicate that whereever the public sector has put its hand, the costs have gone up. Are we going to analyse this or are we going to run into this show blandfolded with the theme of socialism and socialistic pattern or whatever other name you want to give it? One of my hon. friends told me on the last occasion when I was speaking here, that that would bring in more employment. I gave him this illustration by way of a reply and said 'Let us pull down this Lok Sabha building; that will give us some employment, and then let us start rebuilding it, and that would again give further employment. If that is the object of socialism, God forbid. May God help us; If the object of socialism is only to bring the society to a higher level of living and to a higher standard of life, then it is a thing worth-while attempting.

In this budget it is true that an attempt has been made to show some grace and some kindness to the ordinary man in the street; the lower middle classes have been granted a sort of exemption in income-tax by the limit being raised to Rs. 4800. But immediately thereafter, what has happened? If you look into it you will see that the difficulty just begins.

I have not been able to understand this levy of further duty on sugar. From Rs. 28, the sugar duty including the excise duty has been raised to Rs. 37 per quintal When I read the note regarding this, I found, although it was not specified in the speech that there would result a corresponding increase in the duty on khandsari also. The system of levying duty on khandsari is what is known as the weekly compounded duty. In 1959, if you take a centrifugal of the size of 9x18, the duty was only Rs. 220 that was increased in 1964 to Rs. 300. But now under this new arrangement the duty will go up to Rs. 420; whereas the duty on crystal sugar would rise only by about 25 to 28 per cent, that on khandsari would go up by about 40 per cent.

You must be aware of the fact that khandsari is not allowed to be moved from one state to another; there is a restriction on the movement of khandsari. With the net result that the small producer, the man for whom we are tomtoming and saying that we have got small scale industries and

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we want to help those small scale industries it is these people we are trying to put down. We do not allow him to earn well; we we have checkmated all his progress and we further tell him, 'You are not allowed to sell your product'. What has been the result? Hundreds of maunds, no thousands of maunds, no lakhs of maunds of sugar are lying in the UP bazaars, unsaleable and getting rotten. People are clamouring for sugar. We do not allow them to have this khandsari sugar. This khandsari sugar, which is not treated to the sulfitation process, gets bad in colour and is not saleable after a particular number of months.

Why this bottleneck created in the trade of khandsari by levying a duty of this type? Is this the budget—because I take this as an illustration—is this the budget meant for helping the poor man? Has this a pattern—I am putting it as a practical man—of socialism? Is it socialism to crush down this man?

श्री हुकम चन्द कछवाय (देवास) : सभापति महोदय, मेरा व्यवस्था का प्रश्न है। हमारे नेता का इतना अच्छा वक्तव्य हो रहा है और सदन में गणपूर्ति नहीं है।

Mr. Chairman: The bell is being rung—Now there is quorum. Shri Trivedi.

Shri U. M. Trivedi: As I was saying, if we cast our eyes on diesel oil taxation also, it is the same story. I have not understood the sentence that the hon. Finance Minister has added to his speech saying that this will prevent admixture. How is it going to prevent it? I do not know what explanation he will give. Mixture with a commodity is always made when that commodity is dearer rather than when it is cheaper. The *dudwalas* add water to milk because water does not cost; but if water also costs something, if it is costly, nobody is going to add water to milk. Therefore, I feel that even in levying this taxation and in making these taxation proposals, the only thing kept in view is greater squeezing of larger amounts of money from the public. That has been the only object in view.

There has been a sentence used by the Finance that economy in expenditure will be a necessity. Let us see what this economy in expenditure is. It is said that directives have been sent out by the Finance Minister, as it was felt to be necessary, but to no avail. It is realised that at the present juncture, defence requirements cannot be curtailed, and no one would make a suggestion to that effect, but there are certain types of governmental expenditure which could be reduced. I was last time talking with the previous Minister of Finance, Mr. T. T. Krishnamachari, and he told me that he had sent out a directive to the various government offices that expenditure must be curtailed. We could have easily saved Rs. 100 crores, but in the course of the last 15 years the expenditure of the Union and State Governments has increased as much as 500 per cent. This is normal increase. State Governments have, year after year, resorted to unauthorised overdraft on the Reserve Bank. The Finance Ministers in previous years have recognised this weakness in the financial position, and yet nothing is being done to stop these overdrafts. You can become angry, you can write letters to them, but they do not pay any attention. Probably that was the reason which forced this Congress Party to discard Mr. Morarji Desai. They were afraid that this strong man would not tolerate this thing. The Chief Ministers became greater than Members of Parliament; when seven of them are elected, one Member is elected. And a man like me who has always defeated Chief Ministers knows what

a Chief Minister is. I count him to be nothing. It is these Chief Ministers who have controlled this whole thing, and because of their fear of a strong man, who have joined hands to put him down.

Often we have heard of the need to impose a greater measure of discipline on the States with regard to their spending habits, with what results we do not know. The tax payer has a right to demand that before he is called upon to pay more taxes, the State Governments should be disciplined to live within their means, and that the Union Government, too, should enforce strict economy in their administrative expenses and plug all avenues of wasteful expenditure.

There is need also for a radical change in the framing of the Union and State Budgets. What is happening at the moment is that the Governments first fix their targets of expenditure and then start finding resources to finance the same. A nation with limited means cannot afford to do this unless it wants to run into insolvency. My hon. friend, the present Finance Minister, is a very learned lawyer, and I know that he is an expert in insolvency cases, besides company law. So, he must realise this. As the Finance Minister has stated:

> "The developments during the current year are a matter of concern and call for a greater degree of realism in budget making as well as greater sense of determination in restraining expenditures, whether revenue or capital, whether Plan or non-Plan, whether by the Centre or by the States."

This realism, however, does not appear to be the guiding factor in the budget-making this year, as otherwise we would not have seen such a heavy load of taxation imposed on the tax payer.

Look at the debt. How much is it today? Rs. 8,920 crores. And from 1961-65, how has it increased? By Rs. 881 crores. For every child, woman and man in India, the per capita increase in debt is Rs. 20, and if we take into consideration the total debt of Rs. 8,920 crores, it is a debt of nearly Rs. 202 on the head of every person living on the surface of India.

Shri Ranga: One year's income.

16 hrs.

Shri U. M. Trivedi: One the one hand, people like Dr. Lohia hold out to us what is our income. I do not want to repeat his argument. What is this? What is this pittance that we get? As against this, there is such a heavy debt on our head. This habit of borrowing or increasing the debt without resources to pay it back, is a very bad habit. In ordinary parlance we know:

ऋणकर्ता पिता शत्रु:

These friend, sitting on the Treasury Benches, the rulers of our State, are what? सःपिता पितास्तेषां केवलं जन्म हेतव: They are our pitrus; they are the fathers. These fathers are running us into debt, and they are therefore our shatrus. (*Interruption*). Logically, therefore, I say that it is these people who have become our enemies. I bow before them; I fold my hands and pray to them, "For God's sake, as our fathers, do not become indebted, and do not create debts on our heads, on the heads of our children who are to follow and do not become the enemies of the nation".

Shri Ranga: They have already become that.

Shri U. M. Trivedi: The picture that is presented by the budget is a dismal one; it is dismal in the sense that the progress that ought to be shown to the country is nowhere to be seen. Cast your eyes anywhere you like—south, north, west or east. We have not got a good picture. We have the picture of Kerala, where

[Shri U. M. Trivedi]

a good friend of ours, Shri A. P. Jain, the Governor, was there. I do not know what made him run from his post of Governorship and come over here and canvass for the Prime Minister. Why? Then we have the picture of Rajasthan, where the Governor takes upon his head to kick out members of the Assembly. From there, we jump to the east and into West Bengal where the dismal picture of all people fighting, the MLAs fighting with each other and biting each other, is seen. Now, very recently, what kind of picture we are emanating—God knows where it will and—I refer to this question of Punjabi Suba. The picture of India, and of the whole country, is such that it is not a picture which will encourage people for the future progress of our country.

The fault does not lie, I can say, with the present Finance Minister, because he has merely inherited. But this inheritance is of 18 years. Even if he were a giant or even if he has a magic wand, I do not know whether he will be able to shake it and shake it off. It is not possible. The conditions in which the country has been put by these Plans, Plans and Plans, without understanding, are so deplorable that the affairs of the country cannot be picked up, picked out and placed on a sound footing. Yet, I will say that a great effort on our part is necessary. A great effort on the part of the country is necessary to bring in a situation whereby we can save the country from falling into further insolvency. We cannot always count upon the loans that are coming from various countries. How many countries are giving us loans? I was counting the number which is given in the Explanatory Note. We are indebted to 18 countries. Wherever the Government wants to borrow, it borrows. Whosoever gives it, even if a beggar gives, we will take it! Now we go to Kuwait, a small patch of a country and borrow money from them. There is another patch of a country—Bahrein—and we go and borrow money from Bahrein. What is this? Have we got no dignity left? Has all our dignity disappeared? This is a big country, a huge country, with a biggest, proudest nation, which has become very proud from the last war of 22 days. It is this country which wants to hold its head aloft in the world that goes about begging.

Mr. Chairman: We will pay interest on the loans.

Shri U. M. Trivedi: Yes, we will pay interest and make our children unhappy. My municipality is suffering from the loan-taking business. All the money of the municipality is taken away by the Government by way of interest and we are left without proper roads and adequate water. This business of borrowing from another and spending—ऋणं कृत्वा घृतं पिबेत् is the motto only of the fools. I cannot understand this mentality of borrowing, borrowing and borrowing and earning nothing.

I find we are running 30 corporations and invested Rs. 1,700 crores on them. The yield is less than Rs. 1.9 crores. What type of investment is it? Would any sane, prudent man in his senses tolerate such a state of affairs? Even if he puts the money in the post office—the safest investment possible—he will get 3 or 4 per cent. But from these corporations we get only 1.9 per cent,—I am sorry; it is Rs. 1.9 crores, not 1.9 per cent. It is this thing which irritates us.

We know how the government has bungled in the food situation. People are suffering on account of the watertight compartments created by the zones. One State is set up against another and the result is that people at one end are eating away all the gram that is available and Bengal is starving. Rice is being smuggled into Pakistan—1700 bags have gone away and people in Rajasthan are starving. Urad is demanded in Bengal, but

nothing is available.

16.07 hrs.

[MR. DEPUTY-SPEAKER *in the Chair.*]

This government has entered trade and become a baniya. This baniya government must not be there; it is useless for the country. Government must be there for ruling and not for capturing the trade of the country. Government's entry into trade has spoiled the traders and made them dishonest; government itself has become dishonest and by the various controls imposed all over the country, the morals of the people have gone down.

I will conclude with this remark that even in this fifth year of the Lok Sabha efforts have not been made so that the morals of the people may rise. The people should receive the benefits of the plan, but no efforts have been made to relieve the people from the misery of food shortage. The food scarcity has increased and inflation is getting on and on. It is high time there is a proper appreciation of the exact situation of the country on the economic front and those efforts must come as a source of national pride, guided by national principles and not by any isms. I know the government is criticised by my friends on this side, who always want you to nationalise everything and then go bunkum, creating trouble for all. But you should not fall into that pit. You must steer clear of that, make up your mind and take the proper course and action whereby the country may steady its feet and march towards the progress which you and I both desire for this country.

Shri Himatsingka (Godda): Mr. Deputy-Speaker, Sir, before I come to the proposals in the budget, I would like to say a few words on what the hon. Member, Shri Mukerjee said about the Finance Minister. He criticised him for having given relief to, what he called, big business. He also criticised him for that and, rather, he criticised big business for having been able to reduce the taxes by about Rs. 40 crores. He forgets that the relief given, if you can call it a relief, to the big business is the reduction by way of converting the dividend tax into an excess dividend tax—that is to say, there is no tax up to 10 per cent—and the other is the relief on bonus shares—there will be no tax on bonus shares or on national capital gains. They are negligible. They would not be even Rs. 1 crore. That also used to go to the companies. But the additional taxation that has been imposed is far more and it not only nullifies or neutralises the concessions but imposes a very heavy burden.

Another thing he mentioned was that the big business have managed to reduce the taxes. But he forgets that the taxes, excise duties, taxes from income or corporation taxes can only come if there is income or more business, if new industries are established. But because of the sluggishness in the market and because there have been very few new industries that have come up on account of the capital market being so bad, which has been very correctly set out in the Economic Survey and which has also been referred to in the speech of the hon. Finance Minister, gradually we are having a diminishing return. It was for that reason that the previous Finance Minister, Shri T. T. Krishnamachari, in his last budget tried to reduce—in fact, he reduced—the personal taxes as also corporate taxes in order that the market may revive and there might be some more incentive to business being established. But in spite of the concessions, because the condition of the market was so bad, it did not revive. Very few industries, unless they were helped by the Government financial institutions, could be established, especially because there was no capital available from the ordinary persons who used to invest in industries. They did not invest because the return by making deposits in banks much more

[Shri Himatsingka]

than a person can expect by investing money in industries. As you know, Sir, if a new industry is started, it generally takes 4 to 5 years to enable the company to be in a position to give any dividend. In five years, if a person deposits money in the banks he gets about 7.5 per cent at the present rates and that means 37.5 per cent before he can expect a single paisa from the industry. Therefore, the tax is naturally going down. He has twisted the whole thing and said that the business people have been able to reduce the taxes forgetting altogether that this is the natural effect of the taxes being high and no new industries coming up. Then he referred to the Monopoly Inquiry Commission and there again he wanted to blame the Government, as if the Commission has castigated big business. I will refer to only one paragraph of the Report of the Monopoly Inquiry Commission at page 136, the last paragraph. I will read extracts from it.

The Commission has accepted that big business has done much for the country's economic betterment and, as a consequence, for the alleviation of the poor man's misery; the concentration of economic power has been responsible for the greater part of the capital formation in the country; Big business, is done by the people, has supplied over the years considerable amount of managerial skill of high quality so that production has been high, profits have been good and failures comparatively few in number; big business have been able to attract foreign collaboration and such collaboration has helped the starting of many new industries, supply of essential machinery and technical know-how; hence the inevitable conclusion to which the Monopoly Inquiry Commission has come to is, it is reasonable to expect that concentration of economic power should be relied upon to make an important contribution to the industrial development in the crucial years to come. This is the trend of the findings of the Commission after a thorough inquiry into the question.

Then I come to another point referred to by Shri Malaviya. I think he has misunderstood the intention of what is mentioned in paragraph 51. The Finance Minister has suggested concessional rates of taxes of 25 per cent on royalties and commissions received by the Indian company from a foreign company for supply of technical know-how and technical services. There will be some reduction in the income but he forgets that Indian businessmen are being invited by foreign countries, specially African countries, to set up industries there. The only condition which has been laid down by the Government of India is that you can send machinery from this country; that will be a way of export promotion. The capital is being furnished by those countries and our people are going to get employment. So far as the technical side is concerned, there also they are getting royalties and other income. I do not know what is wrong if Government tries to encourage the setting up of industries in foreign countries which want to take help of the Indian know-how and Indian managerial skill.

Shri Ranga: You will be nationalised there.

Shri Himatsingka: It may be nationalised. But so long as it is not nationalised, we are benefited. The capital is being furnished by those countries. If they nationalise, I think they will pay for the machinery that is going there.

Shri Ranga: What did you get from Burma?

Shri Himatsingka: No concession is given to any businessmen by this provision. He appears to have misunderstood the intention of the hon. Finance Minister.

Coming to the financial proposals of the Finance Minister, the objectives that have been set forth by him in his speech are very welcome. Really, those are the objectives which one has got to keep in view. It has been very clearly stated that the budget should be production-oriented, investment-oriented and export-oriented and the price-line should be held. We have to see whether these objectives will be achieved.

The concessions which have been announced by the Finance Minister in the shape of removing some of the taxes can be called only removal of psychological irritants which were not yielding much of revenue. Naturally, if he had left the position at that, I think the market would have shown some kind of improvement. But the additional 10 per cent surcharge on personal income as also 5 per cent on the taxes of the corporate sector has not only neutralised the thing but will perhaps act as a damper on the enthusiasm and on the capital market. I am afraid that production cannot be increased unless new industries come up.

Moreover, on account of the very low position of our foreign exchange, you cannot import the intermediates and the maintenance requirements of the existing industries; as a result production is falling. The production in the current year has been not as was expected. Production in the last six months of the year will be much less than what it was in the first six months. Therefore unless we can find out some ways whereby raw materials and other intermediates that are required for the existing industries, it will be very difficult to increase production. Unless we can increase production, it will be absolutely impossible to hold the price line. After all, money is being spent on non-development expenditure without increase of any production. The moment you spend money without correspondingly increasing production, prices are bound to go up and that is what is happening. In spite of the best intentions of the Finance Minister and the Government, it will be almost impossible to hold the price line. You will see that in the last twelve months the price index has gone up very considerably, much more than what it had gone up in the previous years. Therefore I feel that some definite steps which are required to bring about an improvement in the climate must be thought of.

I cannot call the Budget investment oriented also because personal taxes have been increased and, therefore, it will leave practically nothing to invest in the hands of persons. Even with the existing taxes there have not been sufficient investments and if you withdraw about Rs. 100 crores more from the market, you can easily imagine what the position will be and whether there is any chance of new investment coming forward.

The Finance Minister also expected that it should be widespread, that investment should come from a larger number of persons. Quite right. Unless that is the position, you cannot have sufficient amount of money for new industries and new factories coming up. But, as I said, nothing will be left in the hands of investors. Similarly, companies also having been taxed 5 per cent more, there will not be much left with them to plough back in industries or to set up other industries.

Therefore, I feel that the Finance Minister must try to find out ways and means whereby he can give up this increased taxation on companies. If the non-Plan expenditure be reduced, if the States not be given the amount of money that is being proposed to be given for non-Plan expenditure, this additional taxation may not be necessary. I feel, it is a point which needs consideration. Some other methods, for example, increasing the number of industries which can be put in the special class of industries receiving certain amount of concessional rate of taxation or that list may be increased, may be found. Of course,

[Shri Himatsingka]

in such cases only the industries which will be included in the list will get the benefit and not industries in general.

I want to make one or two suggestion. If the public sector undertakings begin to give a return that they should, I think, there would be no necessity for this additional taxation. Undertakings should not be financed by taxation. I feel what should be done is that just as other companies borrow capital either by shares or by floating debentures, etc., that policy should also be followed by Government for their public sector undertakings. The Oil India Corporation has done that. They have raised about Rs. 100 crores through their debentures. If that policy is followed, if the public sector undertakings are expected to carry on with the borrowed capital as also from their retained profits, there will also be a certain amount of responsibility on the public sector undertakings to behave properly, to run them economically and to prevent waste.

Similarly, non-development expenditure should be reduced and, I think, if steps are taken, a reduction of 3 per cent or 4 per cent should not be difficult. The former Finance Minister had indicated that he would take steps to reduce the expenditure by about Rs. 70 crores. But not only the expenditure has not been reduced but, I think, it has gone up by a few crores and this year also the expenditure is going up. Therefore, unless we can stop this kind of non-development expenditure, it will be very difficult to carry on efficiently or to improve the conditions of the economy. I feel that some serious thought should be given to this line, specially to improve the working conditions of the Government undertakings so that with the investment we have put in, if they give proper return, as they should, I think, the taxation that has been proposed would be absolutely necessary. I hope the Finance Minister will apply his mind to this line.

श्री राघेलाल व्यास (उज्जैन) : उपाध्यक्ष महोदय, फ़िनांस मिनिस्टर साहब ने अपने बजट-भाषण में यह कहा है कि यह बजट हमारे प्लान्ज़ और पालिसीज़ को कार्यान्वित करने का एक साधन है। उन्होंने यह बात बिल्कुल ठीक कही है। यह भी सही है कि पिछले अठारह वर्षों में हमारे देश में जो काम हुए हैं, वे हमें प्रगति की ओर ले गए हैं। यह भी सही है कि कहीं कुछ कमियां या ख़ामियां रही हैं, कहीं ग़लतियां भी हुई हैं, लेकिन इस से कोई इन्कार नहीं कर सकता कि देश ने काफ़ी प्रगति की है और हम अपने लक्ष्य की ओर आगे बढ़ते चले जा रहे हैं।

हमारी पालिसी का मुख्य उद्देश्य यह है कि हम समाजवाद की ओर अग्रसर हों और हमारे देश में जो प्रदेश तथा वर्ग ज्यादा पिछड़े हुए हैं, वे अधिक पीछे न रह जायें : प्लानिंग कमीशन के द्वारा प्लान्ज़ में इस की ओर विशेष तौर से ज़ोर दिया गया है। इस लिये हम को यह देखना है कि जहां हम प्रगति की ओर आगे बढ़ते चले जा रहे हैं और तरक्की कर रहे हैं, वहां कहीं हम यह ग़लती तो नहीं कर रहे हैं कि हमारे देश के कुछ हिस्सों या वर्गों की उपेक्षा की जा रही है।

यदि हम इस दृष्टि से विचार करें, तो हमें यह पता लगेगा कि हमारे देश में कहीं कहीं तो प्रगति बड़ी तेज़ी से हुई है और कहीं कहीं हम काफ़ी पीछे रह गये हैं। उदाहरण के तौर पर मैं निवेदन करना चाहता हूं कि क्षेत्रफल की दृष्टि से मध्य प्रदेश हमारे देश में सब से बड़ा राज्य है। देश के विकास का मुख्य साधन है कृषि और उद्योग, जिन के द्वारा हम देश की आर्थिक स्थिति को सुधारना चाहते हैं। यद्यपि मध्य प्रदेश सब से बड़ा प्रदेश है और फूड के विषय में

सरप्लस स्टेट है, लेकिन उस में यील्ड, प्रति एकड़ उत्पादन, देश में सब से कम है। क्या कारण है कि इरिगेशन, सिंचाई का साधन नहीं है, खाद नहीं है और किसान की हालत बहुत पिछड़ी हुई है। इस के लिए जब कि हम देखते हैं कि अनाज की कमी है और बाहर से काफ़ी मंगाने की कोशिश करते हैं, अरबों रुपया खर्च होता है और प्रयत्न चल रहे है कि इस में जल्द से जल्द सेल्फ सफिशेन्ट हो जांय, आत्म-निर्भर हो जांय, मैं पूछना चाहता हूं कि मध्य प्रदेश में जहां कि काफ़ी गुंजाइश है अनाज के उत्पादन को बढ़ाने की, अभी तक क्या किया है ?

श्री ओंकार लाल बेरवा (कोटा) : शर्म की बात है।

श्री राधेलाल व्यास : आप इरिगेशन को ही ले लीजिये, आज जरूरत यह है कि इरिगेशन होना चाहिए, लेकिन भारतवर्ष में सब से कम इरिगेशन है तो मध्य प्रदेश में है जो केवल 6–7 परसेन्ट है। क्या उत्पादन इस से बढ़ सकता है ? आज देखा यह जाता है कि हमारे प्लान बढ़ते जा रहे हैं।

श्री काशी राम गुप्त (अलवर) : माननीय सदस्य मध्य प्रदेश की सरकार से कहें यह बात।

श्री राधेलाल व्यास : आज जिस तरह से भारत सरकार अपने साधनों से पूरा नहीं कर पा रही है और उसे पूरा करने के लिए अमरीका से लेना पड़ रहा है, ईस्ट-जर्मनी से लेना पड़ रहा है, और दूसरे साधनों से लेना पड़ रहा है, तो यह कैसे हो सकता है कि मध्य प्रदेश अपने ही साधनों से पूरा करे। हिन्दोस्तान को अनाज चाहिए, उसके लिए मध्य प्रदेश केवल अपने ही साधनों से पूरा करे, यह असम्भव है।

मेरे दोस्त ने मेजर इरिगेशन प्राजेक्टस के बारे में कहा। मध्य प्रदेश में 100 मेजर इरिगेशन प्रोजेक्टस बाकी हैं, क्या किसी स्टेट में इतने हैं ? क्या केरल में कोई इरिगेशन प्रोजेक्ट बाकी रहा है, मद्रास में कितने बाकी हैं, बिहार और उत्तर प्रदेश में कितने बाकी हैं, मध्य प्रदेश में कम से कम 100 मेजर इरिगेशन प्राजेक्टस हैं, जो पूरे नहीं हो सके हैं, अगर एक एक प्लान में एक एक प्राजेक्ट लेंगे तो सौ प्लान चाहियें जब ये प्राजेक्ट पूरे हो सकेंगे। जो प्राजेक्टस आज बन रहे हैं, उनके लिए पैसा नहीं मिल रहा है, इन्द्रावती प्राजेक्ट कब से चल रहा है, लेकिन रुपया नहीं है।

फर्टीलाइजर की बात मेरे मित्र ने कही है। मैं आपसे निवेदन करना चाहता हूं कि मेजर इरिगेशन प्रोजेक्टस को तो छोड़ दीजिये, यहां माइनर के लिए भी पैसा नहीं मिल रहा है। हमारे छत्तीसगढ़ के इलाके में अकाल पड़ा हुआ है। मैं अभी वहां गया था और मैंने योजना भेजी है कि वहां पर बहुत अच्छे तालाब हैं, जिनसे सिंचाई हो सकती है, पानी मिल सकता है अगर चार करोड़ रुपया खर्च हो जाय तो उस से 1600 तालाब बन सकते हैं और फिर उससे उत्पादन बढ़ सकता है, फौरन एक्सचेन्ज बच सकता है, बाहर से भीख मांगना बच सकता है। ऐसे प्रोजेक्टस हैं जो फ़ौरन फल देने वाले हो सकते हैं। मध्य प्रदेश सरकार से यह उम्मीद करें कि वह इस के लिए फंडस इकट्ठा करें, तो मैं आपको बता देना चाहता हूं कि वहां पर टैक्सेज सेचुरेशन प्वाइन्ट पर पहुंच चुके हैं, अब उस से ज्यादा हम उसको नहीं कर सकते हैं। अगर आप समझते हैं कि कुछ और वसूल किये जा सकते हैं तो आप हमें बताइये, भारत

[श्री राधेलाल व्यास]

सरकार हमें बताये कि इस पर और टैक्सेज लग सकते हैं तो हम लगाने को तैयार हैं। लेकिन अगर इस से ज्यादा नहीं बढ़ सकते हैं तो विकास के लिए भारत सरकार को अधिक पैसा देना होगा।

इसी तरह से फ़र्टीलाइज़र प्लांटस के बारे में कहना चाहता हूं। मध्य प्रदेश में एक भी फर्टीलाइज़र प्लांट नहीं दिया गया, सब इधर-उधर दिये गये हैं। हमारे यहां कोरबा में एक फर्टीलाइज़र फैक्टरी मन्जूर हुई, एक करोड़ रुपया बिल्डिंग पर खर्च आया, लेकिन अब कहते हैं कि कोल-बेस्ड प्लांट नहीं हो सकता, नेपथा बेस्ड बनेगा। हिन्दुस्तान में कितने फर्टीलाइजर की ज़रूरत है और कितने नेपथा-बेस्ड बने हैं? एक करोड़ रुपया बिल्डिंग पर खर्च कर के अब यह कहना कि वहां नेपथा-बेस्ड फर्टीलाइजर फैक्टरी काम करेगी कोल बेस्ड नहीं करेगी, इस का अर्थ है कि वह हमारे यहां बनाना नहीं चाहते हैं। मेरा निवेदन यह है कि मध्य प्रदेश में नेपथा-बेस्ड देना है तो नेपथा-बेस्ड दें और कोल-बेस्ड देना है तो कोलबेस्ड दें, लेकिन वहां पर फर्टीलाइजर फैक्टरी ज़रूर दें। हमारे यहां आप फास्फेटिक फर्टीलाइजर की फैक्टरी दीजिये, हमारे यहां मूंगफली और गन्ना काफ़ी पैदा होता है, लेकिन दुख है कि हमारे यहां कोई भी फर्टीलाइजर की फैक्टरी देने के लिए तैयार नहीं है जब कि हमारा प्रदेश काफ़ी पीछे पड़ा हुआ है।

हमारे यहां कितने प्राकृतिक साधन हैं, मिनरल रिसोर्सेज हैं। आयरन है, आयरन-ओर है, जहां पर स्टील काफ़ी बड़ी तादाद में पैदा हो सकता है, पिग-आयरन है, लेकिन उसको कोई फैक्टरी बनाने को तैयार नहीं हैं। हमारी स्टेट ने एक लाइसेन्स मांगा लेकिन उसको रिजेक्ट कर दिया गया, जब कि 2.5 मिलियन टन के दूसरे सब राज्यों को दिये, प्राइवेट पार्टीज़ को दिये। सतना और कटनी में आइरन फैक्टरी के लिए स्टेट ने लाइसेन्स मांगा, लेकिन उसको नामन्जूर कर दिया गया। ऐसी हालत में इस प्रदेश में इण्डस्ट्रियलाइजेशन कैसे होगा। यह प्रदेश कैसे आगे बढ़ेगा, जब कि दूसरे प्रदेशों ने काफ़ी प्रगति की है।

हमारे यहां स्पिनिंग मिल के लिए अनुमति नहीं दी जा रही है। कहते हैं कि प्लानिंग कमीशन से क्लियरेंस लाओ बाद में प्लानिंग कमीशन ने स्पिनिंस मिल के लिए अनुमति दे दी, लेकिन फिर भी वह अपनी तरफ से अड़ंगा अड़ाये जा रहे हैं। आज मुझे बड़े दुख के साथ, अध्यक्ष महोदय, कहना पड़ता है कि केन्द्रीय मंत्री मंडल में मध्य प्रदेश का कोई प्रतिनिधित्व नहीं है।

श्री काशी राम गुप्त : दो डिप्टी मिनिस्टर हैं।

श्री राधेलाल व्यास : दो डिप्टी मिनिस्टर ज़रूर हैं, लेकिन उसे केन्द्रीय मंत्री मंडल में प्रतिनिधित्व नहीं कहा जा सकता। जब कि दूसरे स्टेटों से दो-दो, तीन-तीन मिनिस्टर हैं और काफ़ी प्रभावशाली विभाग उनके पास हैं, जो जिधर से कुछ ले सकता है ले जाता है, लेकिन मध्य प्रदेश उपेक्षित रहता है, उसके साथ जो न्याय होना चाहिए, उससे वह वंचित रह जाता है।

Shrimati Renuka Ray (Malda): Will he share the food equality with us, on an equal basis?

श्री राधे लाल व्यास : मैं फूड के बारे में आता हूं। मैं निवेदन करना चाहता हूं कि आज हमारे देश में हर जगह यही एक चर्चा का विषय है। आपको मालूम है और मेरे मित्र भी जानते हैं कि फूड के बारे में हमेशा

अपने विचार रखता रहा हूं, खास तौर से फूड कन्ट्रोल का में हमेशा समर्थन करता रहा हूं । मैंने जोन्ज का समर्थन किया है, इतना ही नहीं अगर रिकार्डस को देखा जाय, तो मैं सब से पहला आदमी था जिसने सुझाव दिया था कि जोन्ज बनाये जाने चाहिये और उसके बाद जोन्ज बने---चार-पांच साल पहले । मैं यह विश्वास करता हूं कि हमारे पास जितना सरप्लस फूड है, आप सब ले लीजिये । मैं यह सुझाव देना चाहता हूं कि अगर फूड प्राबलम हल करनी है तो उसका प्रोक्योरमेन्ट, एग्रीकल्चरल डेवेलपमेंट, उसका स्टोरेज, उसका डिस्ट्रीब्यूशन, सब का सब स्टेट से गवर्नमेंट आफ इंडिया अपने हाथ में ले ले । मोनोपोली प्राक्योरमेन्ट की बात की जाती है । कुछ भाई कहते हैं कि मोनोपोली प्रोक्योरमेन्ट करना है तो जोन नहीं, डिस्ट्रिक्ट नही, गांव-गांव में करना होगा ताकि वे एक जगह से दूसरी जगह नहीं भेज सकें । उस के बिना मोनोपोली प्रोक्योरमेन्ट नहीं हो सकता । इस प्राबलम को अगर ठीक तरह से हल करना है तो ठीक ढंग से करना चाहिये । मुझे दुख है कि कन्ट्रोल जैसा होना चाहिये, वैसा नहीं हो रहा है । उसका परिणाम यह होता है कि यह तमाम खराबियों की जड़ पैदा होती है । हमारे यहां एक एक दाना सरप्लस है तो ले लीजिये । गवर्नमेंट आफ़ इंडिया को हमने पिछले साल जो भी चावल हमारे यहां था हमने दे दिया, डाइरेक्टली उन्होंने हमारे सारे चावल को खरीद लिया था । गेहूं की मात्रा हमारे यहां सरप्लस नहीं है । हमने छत्तीसगढ़ के इलाके में 3-3, 4-4, लाख टन पैडी और राइस की खरीदफरोख्त की है तथा भारत सरकार ने की है, स्टेट सरकार ने नहीं की है, उसको रोका नहीं है, जितना उन्होंने सरप्लस बतलाया, उतना उन्होंने दे दिया ।

मैं मानता हूं कि सारे प्रदेश में भाव एक रहना चाहिये । यह तभी सम्भव होगा जब सब राज्य सरकारें इस में सहयोग करें और उसके साथ जो पालिसी ले-डाउन की जाय, जो पालिसी चलाई जाय, उसका साथ दें । लेकिन हर स्टेट में भाव अलग अलग हैं । महाराष्ट्र में ज्वार 58 रु० क्विंटल है, तो मध्य प्रदेश में 42-45 रु० क्विंटल है, ईशू प्राइस में फर्क है । इसी तरह से गेहूं की कीमत में फर्क है । यह चीज नहीं चल सकती , इसलिये कहीं अगर प्रोक्योरमेन्ट हो तो पैसा बराबर नहीं मिलता है किसानों को देने के लिये । ज्वार खरीद लें तो रखने की चिन्ता होती है, गेहूं की फसल आ रही है, उस के लिये करोड़ों रुपया चाहिये, उसकी व्यवस्था नहीं है । मैं निवेदन करता हूं कि भारत सरकार को इस पर बड़ी गम्भीरता से विचार करना चाहिये और ऐसी व्यवस्था करनी चाहिये कि इस काम को सरकारी अफसरों के सुपुर्द करने के बजाय, जो सेक्रेटरिएट में आफिसर्स काम करते हैं या डायरेक्टोरेट आफ फूड में काम करते हैं, उनके सुपुर्द करने के बजाय, एक अलग कारपोरेशन के सुपुर्द इस काम को किया जाए । एक कारपोरेशन अभी बनी हुई है और उसको वाइड पावर्ज दी जा सकती हैं, प्रोक्योरमेंट की, डिस्ट्रीब्यूशन वगैरह की । वह कारपोरेशन बिजिनेस लाइन्ज पर रन कर सकती है । ऐसा नहीं होना चाहिये कि एक ही चीज के भावों में अलग अलग जगह पर पन्द्रह पन्द्रह रुपये क्विंटल का फर्क हो, प्रोक्योरमेन्ट और इश प्राइस में पन्द्रह पन्द्रह रुपये का अन्तर हो । यह नहीं होना चाहिये । ये सब जो चीजें हैं ये असन्तोष का कारण होती हैं । अनाज कहीं सड़ना नहीं चाहिये । अभी त्रिवेदी जी ने कहा और तारकेश्वरी सिन्हा जी ने कहा है कि अनाज सड़ रहा है । मैं भी जानता हूं कि मेरे यहां भी चना सड़ रहा है । इस चीज को देख कर मुझे बड़ा दुख होता है । इस अनाज की कमी के जमाने में अनाज को सड़ने देना.....

श्री पु० रं० पटेल (पाटन) : आपकी गवर्नमेंट इसको रोक क्यों नहीं सकी है ।

श्री राधेलाल व्यास : आपकी गवर्नमेंट भी रोक नहीं सकती है । आपकी गवर्नमेंट

[श्री राघेलाल व्यास]

भी तेल को रोके रखती है और मेरे यहां भी उसने चने को रोके रखा है । जिसके पास जो होता है, वह सब उसके बारे में ऐसा करता है । इस वास्ते मैं कहना चाहता हूं कि राज्यों के हाथ में यह चीज नहीं होनी चाहिये । अगर हम इस चीज को संतोषप्रद ढंग से हल करना चाहते हैं तो उनके हाथ में इसको हमें नहीं रहने देना चाहिये । भारत सरकार को बोल्ड स्टेप लेना चाहिए । फूड की प्रोबलम को देख कर केन्द्रीय सरकार इसको अपने हाथ में ले और अपनी तरफ से वह हर राज्य में व्यवस्था करे। इसका डिस्ट्रीब्यूशन, स्टोरेज, प्रोक्योरमेन्ट वगैरह सब भारत सरकार को करना चाहिये ।

मैं पिछड़ेपन की बात कर रहा था । मैं एक मिसाल देना चाहता हूं । आप जानते ही हैं कि हमारे यहां मध्य प्रदेश में 34 प्रतिशत आदिवासी और हरिजन हैं । भारत में सबसे ज्यादा आदिवासी हमारे क्षेत्र में हैं और सब से पिछड़ा हुआ प्रदेश हमारा है । विंध्याचल और सतपुड़ा की तलहटी में और बस्तर वगैरह के उधर छत्तीसगढ़ के क्षेत्र में क्या हाल है ? अभी सर्वे किया गया है जिससे यह पता चला है कि 7415 गांव ऐसे हैं और 5814 साइजेबल हैमलेट्स ऐसे हैं जहां संतोषप्रद पानी पीने को नहीं मिलता है ।

श्री ओंकार लाल बेरवा : शर्म की बात है ।

श्री राघेलाल व्यास : इसके अलावा 4075 गांव और 2592 गांव या छोटे छोटे झोंपड़े वाले गांव ऐसे हैं जहां पर पूरा पीने का पानी नहीं मिलता है । मैं निवेदन करना चाहता हूं.....

Shri D. C. Sharma (Gurdaspur): Is this the Lok Sabha or the Madhya Pradesh Assembly?

श्री राघेलाल व्यास : मेरे मित्र को मालूम नहीं है कि शैड्यूल्ड ट्राइब्ज के बारे में स्पेशल रिसपांसिबिलिटी गवर्नमेंट आफ इंडिया की है, स्टेट की नहीं है । शायद मौजूदा फाइनेंस मिनिस्टर साहब को मालूम नहीं है चूंकि वह अभी आए हैं कि हमारी स्टेट गवर्नमेंट ने एक स्पेशल प्राजैक्ट, स्पेशल स्कीम भेजी है फाइनेंस मिनिस्टरी के पास । श्री कृष्णमाचारी से मध्य प्रदेश के जो मेम्बर पार्लिमेंट हैं, मिले थे और उन्होंने कहा था कि अगर शैड्यूल्ड एरियाज के लिए कोई विशेष प्राजैक्ट्स उनके डिवेलेपमेंट के लिए वहां की तकलीफों को दूर करने के लिए भेजें जायेंगे, कोई स्कीम्ज भेजी जायेंगी तो उन पर वे स्पेशल कंसिड्रेशन देंगे, कुछ खास मदद करेंगे । वहां से स्कीम्ज भेजी गई लेकिन सवाल पैदा हुआ कि मशीनरी चाहिये । काफी ऐसे क्षेत्र हैं जोकि पहाड़ी क्षेत्र हैं और उनके लिए टैक्नीकल हैंड्ज चाहियें । तो हमारी उस स्कीम को गवर्नमेंट आफ इंडिया ने नामंजूर कर दिया । स्कूलों की योजना बनाई गई और उसको भेजा गया, उसको भी नामंजूर कर दिया । अगर इस तरह से स्कीम्ज को नामंजूर आप करते गये तो हमारे प्रदेश का विकास कैसे होगा ।

अपने प्रदेश के मीन्ज आफ कम्युनिकेशंज को मैं लेता हूं । रोड्ज को आप लें । अभी हमारे लिए इस नए साल में पौने दो करोड़ रुपये मंजूर हुए हैं कम्युनिकेशन के लिए जोकि पिछले साल का केवल आठ प्रतिशत है । हमारे यहां पुल इतने बनने हैं कि उन पर करोड़ों रुपया खर्च के लिए हमें चाहिये । थर्ड प्लान में एक भी सड़क नहीं बन सकी है । सड़कों के मामले में हमारा प्रदेश बहुत पीछे है । इतना बड़ा प्रदेश है और अभी भी वह इतना ज्यादा पिछड़ा हुआ है । अभी इंद्रावती वेसन में एक सर्वे गवर्नमेंट आफ इंडिया ने कराया है । उस सर्वे रिपोर्ट के मुताबिक वहां पर काफी रोड्ज बननी चाहिय ।

लेकिन.... पैसा नहीं दिया जाएगा तो कैसे बनेंगी ये सब रोड्ज । जो भी आपने उद्देश्य बजट में बताया है उस में विशेष ध्यान इस ओर देने की जरूरत है कि पिछले सालों में जो कुछ हुआ है उसके परिणाम के तौर पर कौन कौन से प्रदेश ऐसे हैं जोकि पीछे रह गये हैं और कितने पीछे रह गये हैं और कौन कौन से क्षेत्रों में वे पीछे रह गए हैं । आया एग्रिकलचरल डिवेलेपमेंट के क्षेत्र में पीछे रह गये हैं तो कौन से प्रदेश हैं और कितना पीछे रह गये हैं, एजुकेशन में कोई प्रदेश पीछे है तो कितना पीछे है, कम्युनिकेशन के मामले में भी पीछे हैं तो कितना अधिक पीछे हैं, इंडस्ट्रियल डिवेलेपमेंट के मामले में कोई प्रदेश अगर पीछे है तो कितना पीछे है । हर वर्ष इस का सर्वे होना चाहिये । उस सर्वे के मुताबिक कुछ ऐसे कदम उठाये जाने चाहियें ताकि वे प्रदेश उन मामलों में आगे बढ़ सकें । ऐसा न हो कि जहां कुछ प्रदेश काफी आगे बढ़ जायें वहां मध्य प्रदेश जैसा प्रदेश पीछे रह जाये, बिल्कुल ही पिछड़ा हुआ रह जाए । बीच का और बहुत अच्छा यह प्रदेश है । वहां साधन भी काफी हैं । वहां विकास की गुंजाइश भी काफी है । वह पीछे रह जाए, ऐसा नहीं होना चाहिये । उसको भी आपको चाहिये कि आप आगे लायें ।

इन शब्दों के साथ मैं आपको धन्यवाद देते हुए समाप्त करता हूं ।

Shri C. K. Bhattacharyya (Raiganj): I want to congratulate the Finance Minister on the budget that he has presented. Called upon suddenly and unexpectedly to take charge of the finances of the country, he has given a most creditable account of himself. The circumstances in which he took charge of the country's finances were further accentuated by a crisis of the immediately followed leading to a change in the Ministry and almost a reconstitution of the government. Even through these vicissitudes he has maintained the stability and economic improvement of the country as demonstrated in the budget proposals that he has presented before us. With his well-known ability and experience in finances, he has not only succeded, he has succeded well,—that must be said and acknowledge—in putting the finances of the country in order. That he has done.

But the Finance Minister has an unenviable task. He cannot please everybody. He has to face criticism. Criticisms come whatever he may do. Som section or some portions, in spite of his very best and sincerest efforts, will remain dissatisfied. If he satisfies Mr. Masani, Mr. Mukerjee gets angry: if he satisfies Mr. Mukerjee, Mr. Masani gets angry. What is the poor Finance Minister to do. He has to steer his course clear from all this Scylla and Charybdis in the political ocean of the country. And that he has been doing very successfully, and with an amount of sauvity which I admire.

But some of these criticisms have been of such a type that they surprise me. The budget proposals have been viewed and examined not on their own merits, but in the light of the pre-conceived notions of the critics themselves. That is rather sad when it has to be considered that on this the economy of the country and the future course in reconstruction and planning are going to be based. In fact, when I heard these criticisms I was thinking that the critics either did not follow the proposals themselves or they had no mind to do that. This Trend of criticism reminded me of a Sanskrit saying which concludes with the line which I am quoting:

" अस्थाने पतताम् अनीव महताम्
एतादृशी दुर्गति : "

When I found the Finance Minister getting raw deals at the hands of some of the Members, I was reminded of this, that a very worthy person has to suffer like this when falling in unworthy hands. This is perhaps one

[Shri C. K. Bhattacharyya]

of the best cases in which this quotation applies.

There is a mentality which is in the habit of saying no to everything. Whenever something is sad to them positively they will atonce say no. In order to get them to agree to something, the matter has to be presented negatively, and then they will say yes. But the Finance Minister, of course, cannot frame his budget proposals in a negative form. He has to put in positive statements, and these friends of mine who are in the habit of looking upon things negatively of saying no to everything stated positively, have said no. That is also not surprising, but I felt sorry that the proposals were not viewed constructively I was scanning very carefully all the criticisms that I have heard from some of the Members. I expected some constructive suggestions from them. I am afraid there has been none, beginning from Shri Masani. Shri Masani has been trying to prove that he is a prophet and prophet, as you know, is not honoured in his own country. So, that is the position of Shri Masani. He says things have been happening in 1966 just as he had stated in 1961. It may be so or may not be so. Shri Masani may have the satisfaction of being a prophet, not having the honour that he thinks he should deserve.

Shri Mukerjee was saying that we should rather have some self-denying ordinance than accept this PL 480 aid. I should have said ditto to him if I have the assurance from him that if the Government propose to the people of this country to accept this self-denying ordinance, his party will not continue to do the things which they are doing in West Bengal today. If that assurance is given by the political parties in the Opposition I believe the Finance Minister and our Prime Minister will not have the least hesitation in asking the people rather to accept the self-denying ordinance than to go to the people outside and the countries outside to beg for food.

Shri Indrajit Gupta: Who is he to ask for an assurance? What is his authority to ask for the assurance? Has the PCC authorised him to ask for such an assurance?

Shri C. K. Bhattacharyya: I do it on my own behalf, and I do it on behalf of the Government which is ruling the country.

Mr. Deputy-Speaker: He represents the same party.

Shri C. K. Bhattacharyya: So, nothing should be viewed in that light. Unless that policy is adopted, there can be no proposal which will not be found to be open to criticism. In fact, we live in a mundance world. Whatever we do suffers from some defect or other. Nothing is perfect in this world and nothing can be perfect. The proposals of the Finance Minister have got to be taken with that amount of consideration. Shall I quote again? सवरिम्मा: हि दोषेन् धूमेनाग्निरिवा वृत : ।"

Whenever you light a fire, there is some smoke; if you are determined that there will be no smoke, there will be no fire. That is the position. So, with some sense of proportion and with that proposition in mind, these budget proposals should be looked upon and considered and criticised in a constructive fashion. That is what, I found, is not being done.

Shri Kashi Ram Gupta: What are your constructive proposals? Give them to the House.

Shri C. K. Bhattacharyya: We will have them. The test for approval is, whether what has been done has been done with the sincerest intention, and to the best of the ability of the person doing it. Tested on both these grounds ,the hon. Finance Minister has eminently succeeded and deserves well of all of us. That is my first point. Judged by this, the Finance Minister has succeeded, and

as I have said, succeeded eminently. Even the worst critics could not say that all the proposals were bad. I have scrutinised all the comments and criticisms that have appeared in the press since the budget proposals were announced. I found that even the worst critics could not say that the proposals were all bad. They had admitted that, whatever their objections to certain proposals, certain parts of the proposals are good and there are certain proposals which deserve support and which, according to the critics themselves, will be to the good of the country.

Shri Kashi Ram Gupta: What about the critics from your own Benches?

Shri C. K. Bhattacharyya: If the Finance Minister has not been able to do as much as was expected of him, the fault lies not with him but it is inherent in the circumstances in which he finds hmself. It is inherent in the limitations within which he has to work. That has also to be recognised.

I would have dittoed Mr. Mukerjee if there was a possibility of appealing to the people, without that appeal being misunderstood, misused and misinterpreted in any way, that we should rather have a self-denying ordinance than go to other places begging for food. If my communist friends there do not get offended with me, I am prepared to go to Banaras, stand before the Annapoorna temple, and say.

भिक्षां देहि कृपावल बनकारी मातान्नपूर्णेशिवरी

I am prepared to do that rather than go with a begging bowl to other countries, but they have no faith in Matha Annapoorna and they will not appreciate this sentiment of mine. So, I do not offer that to them. The position is, this could have been done had the circumstances been different from what they are. That has to be appreciated.

Touching some of the budget proposals I should say the Finance Minister's efforts to give relief to the low-income group have been much appreciated. The raising of the income-tax assessment limit and raising of the exemption limit for annuity deposits have come as a great relief to the comparatively poorer sections. To say that the budget proposals encourage the rich to become richer appears like a slogan. It is nothing more than a slogan for persons who have not scrutinised the proposals with the care and scrutiny they deserve. If this apprehension ever comes to pass, it will come to pass not because of the budget that has been placed before us, but because of other reasons against which this government is always watchful and careful and has been taking all possible precautions.

About one criticism, I should like to say a few words, i.e maintenance of control on sugar. A demand has been made for its abolition. I shall tell my experience of such abolition which I had seen before. Some years back, control of sugar was temporarily lifted. There was a report to the government that sugar has accumulated in the production centres and unless export was sanctioned, there would be a slump. A committee was appointed—Export Promotion Committee—which came to the conclusion that control must be raised and sugar must be allowed to be exported. Strangely the day the control was raised, sugar disappeared from the market. I myself had to stand on the road to secure half a seer of sugar. This happened on the eve of the Pujas in Bengal. Whenever a suggestion is made that control of sugar should be raised, that experience comes to my mind and I feel rather hesitant to approve of it.

There is one thing which is oppressing me today, i.e the maintenance of the integrity of India. That is one dominating problem on which attention of all members and of the people should be concentrated. At times. I feel that the picture of the

[Shri C. K. Bhattacharyya]

18th century India is repainting itself before our eyes. The same tendencies appear at places. The same tendencies try to manifest themselves through different sections and different places. I feel apprehensive at times, and this is the occasion and this is the time at which we should take all precautions that this thing may not further develop and what we saw in the 18th century may not be repeated in any form or in any way in the present century we are living in.

17 hrs.

Sir, there are major proposls in the budget. I have generally commented upon the budget as a whole. I reserve to myself to offer my remarks on the proposals when these are placed before us in the form of Demands for Grants. On the whole, I should say, the Finance Minister has given a creditable account of himself. He deserves well of us, of all the Members of this House and on all sides.

Shri N. Sreekantan Nair (Quilon): Mr. Deputy-Speaker, Sir, our senior Congress colleauge, Shri Bhattacharyya was the only solitary voice in this House till now to support unconditionally our Finance Minister's new budget proposals. His proposal have come at a time when our country is passing through a crisis. It has come immediately in the wake of the short but very costly war with Pakistan. During this war we found that this great Republic of India does not have a single solitary friend anywhere in the world except perhaps with the exception of the small and tottering State of Malaysia.

Sir, during that war we found that all those people we claim to be our friends are friends only when we are useful to them. It has been proved that the country which claims itself to be the cradle of democracy, Great Britain, favours more the militarists, the theocratist Pakistan than India. It has been found that the country which claims to be anti-Communist, the leader of the anti-Communist movement in the world, the country which is claimed to be the orginating fountain-head of free enterprise, the country which claims to be Lincon's motherland, that country prefers militarist Pakistan to the Republic of India. Even the Soviet Union, the fatherland of socialism tries to come to our aid not because this country has accepted he principle of the socialist pattern of society, not because they want to accelerate our progress towards the socialistic goal, but because they want to keep us, on the onehand, away from the capitalist bloc and, on the other, as a countercheck to the disobedient, rebellious China. But for the Kashmir factor even the Soviet Union would not have given us any substantial aid. Even when they have given it, what is the result. If we flout their decision, if we refuse to sign a declaration, we will be hauled up and told that next time when the Kashmir question comes up before the United Nations they would not use their veto. I am speaking out a fundamental truth a very basic fundamental incident which happened in the negotiations, which we tom tom throughout India today, as the Tashkent Declaration. But for that gruesome threat, perhaps the decision of the Government of India would have been different. But for that frightening threat we would not have allowed Rs. 100 crores of our property to be held by Pakistan as against only a few crores of rupees worth of Pakistan property with us. So, this country is friendless.

Though this country is friendless, we have got many of masters because we have borrowed from every country. My hon. friend, Shri Trivedi, was referring to it. The list of priorities of our creditor countries is very interesting. It is naturally topped by the richest country in the world, the United States of America. I may just give the list in the order of priority.

From the United States of America the Government loans amount to Rs. 1,770.82 crores and bank loans Rs. 112.86 crores, making a total of Rs. 1,883.68 crores. Then comes UK with Government loans amounting to Rs. 282.57 crores. Third is USSR with Government loans amounting to Rs. 235.15 crores. Then the other countries and amounts respectively are West Germany Rs. 202.08 crores, Japan Rs. 79.94 crores, Canada Rs. 25.52 crores, Kuwait, of which our Jan Sangh friends were speaking in contemptuous tones and were scoffing at, Rs. 16.08 crores, Czechoslovakia Rs. 13.47 crores, Switzerland Rs. 12.24 crores, Yugoslavia Rs. 11.26 crores, Netherlands Rs. 10.45 crores, Poland Rs. 5.69 crores, Austria Rs. 3.71 crores, Sweden Rs. 2.18 crores, Denmark Rs. 1.16 crores and New Zealand Rs. 0.19 crores. We have begged and borrowed from every country, whether developed or undeveloped. In addition, we have borrowed from the International Development Association Rs. 273.80 crores, International Bank Rs. 210.80 crores, miscellaneous creditors Rs. 3.34 crores and Defence Certificates Rs. 0.09 crores. The overall foreign loans taken by us comes to Rs. 3,293.44 crores and internal loans Rs. 3,509.87 crores, bringing our total indebtedness to Rs. 6,803.31 crores. With this indebtedness, which comes to more than Rs. 200 for every man, women and child born in this country, what is our overall revenue income? It is estimated at Rs. 2,617 crores. What is the expenditure from this income? It is Rs. 2,407 crores, leaving a balance of Rs. 210 crores. This Rs. 210 crores is not sufficient only to meet the interest charges on our debts at 3%, whereas the current rate of interest is 6 per cent. So, we would not be able to dream of returning, even by instalments, any portion of our debts in the next few centuries. Even if we abjure all our internal, demands, we refuse to pay all our Government servants, we refuse to pay for every activity in our Central and State Governmental sphere, we would not be able to repay these debts in two years. Yet, it is impossible to ask the Government employees or any section of the employees to work without wages. So, that approach is impossible.

In spite of all these loans, what is our capital estimate? That is still more wonderful. Our revenue surplus is Rs. 210 crores. The second item is internal and external loans which comes to Rs. 744 crores. PL 480 loans amount to Rs. 230 crores. Loans from small savings come to Rs. 135 crores, loans from annuity deposits Rs. 44 crores, miscellaneous debts and deposits Rs. 102 crores, repayment of loans Rs. 370 crores, fresh taxes Rs. 92 crores, budget gap Rs. 25 crores, bringing the overall amount to Rs. 1,952 crores.

Of these, items 2 to 6 are loans and they come to a total of Rs. 1,255 crores. What is our capital outlay for the next year? Rs. 627 crores which is less than just 50 per cent of the total loans we are taking for the next year.

17 hrs.

Our Finance Minister may put forth the argument that we are also having our developmental schemes in the States. I would request the hon. Finance Minister to hear this one question. I would request the Finance Minister to stop his conference. If he does not want to hear, I would request the hon. Finance Minister not to have the conference when I am talking . If he does not want to hear, he can go out of the House and remain there. I do not want a conference here. It is insulting to the House.

Mr. Deputy-Speaker: He is hearing you.

Shri N. Sreekantan Nair: No, they were conferring. I attempted to call his attention thrice.

Shri D. N. Tiwary (Gopalganj): It was no conference. I was asking a point.

श्री हुकम चन्द कछवाय : जो भाषण हो रहा है उसे उन्हें ध्यान से सुनना चाहिए।

Shri N. Sreekantan Nair: Please sit down. I am talking.

Shri D. N. Tiwary: He is hearing. We were not in a conference. I was simply asking a point.

Shrimati Lakshmikanthamma (Khammam): Are they going to dictate to the Minister as to what to do and what not to do?

Shri N. Sreekantan Nair: I challenge the Finance Minister to show that if the entire assets of the Centre and State Governments are pooled together, if our industrial undertakings are liquidated today, they can pay off all these loans that we have taken both internally and externally. They cannot. I will challenge him to prove this. Then, what does it mean? We are a bankrupt country.

Shri C. K. Bhattacharyya: The hon. Member is so loud even without help of the loudspeaker. Why is he straining his voice? The Finance Minister . . .

Shri N. Sreekantan Nair: It is my heritage, and you and I cannot change it.

Shri Badrudduja (Murshidabad): Because it is jarring on his ears, he cannot stand it.

Shri N. Sreekantan Nair: He is so fond of his Finance Minister. He lauds him so much. Mr. Bhattacharyya considers him so high that my criticism may not be palatable to him; but in the name of the country and in the name of the people I have got to voice forth my feelings.

The Minister of Finance (Shri Sachindra Chaudhuri): Speaking for myself, all criticism is welcome to me. I welcome every criticism.

Shri N. Sreekantan Nair: He was intervening in the debate and I just replied to that. How does it concern you?

Shri Sachindra Chaudhuri: I thought, you may be addressing me through him.

Shri N. Sreekantan Nair: This country is bankrupt; yet, we want just to raise slogans like aid without strings, independence in international affairs. What are these but hollow words? When we have pawned our everything to foreign countries, specially to American imperialists, when your own budgetary imperialists, when your own without PL 480 funds, when you cannot feed the people without PL 480 wheat and even with PL480 the country goes up in flames, what is your independence? What is your dignity? How can you stand up, against the nations of the world and say, "We are independent people". Sir, it is no wonder that the American Government kicks us about, that the American President told us to our face that until and unless we assure the American Government that at least during the next five years we will make ourselves self-sufficient in the matter of food, they would never give us any aid during this hour of crisis. He has the audacity to say this and we had the meekness, the humility to accept it. We had to accept food from him at this condition. Even beyond that, the financial administrator had even the impertinence to put forth the proposition that we had to cut 50 per cent of the land that we are now using for cotton cultivation if they are to give $50 million loan for fertilisers. Look at this. What does it mean? It means that they can dictate to us as to what should be our attitude towards the most fundamental question, the largest industry that exists in India. They want our textile mills to be at the beck and call of the American capitalists. They want our textile mills to run on American cotton. Naturally, it will be an imitation of American

quality. What else would it be? I don't understand all this diplomacy. Our Government has agreed to all these terms.

Regarding the setting up of foreign fertiliser companies, the Congress friends have already criticised this. Mr. Malaviya has criticised all this. Of course, Mr. Malaviya knows much more about these oil companies and their tricks than what you and I know about them. He did not get enough time to explain how in the shape of these fertiliser companies, these oil companies want to stage a come-back and sabotage our oil companies, especially the Indian Oil Company. That is going to be a very serious problem. The future of the country is being pawned away without a thought and without a care. How care-free they are in doing it is something most astonishing.

The Finance Minister is a very eminent lawyer, a Company and Corporation lawyer. I am proud that one of our Indian lawyers has got his office in London, that he is being accepted as one of the authorities in international legal circles. But, Sir, the leopard cannot change its spots all of a sudden. He was born with a silver spoon in his mouth. He has all along been serving the vested interests, especially the British vested interests, the White vested interests. Naturally, when he is all of a sudden raised to the pedestal of the post of the Finance Minister of the so-called Socialist-oriented Congress Government of India, he cannot, all of a sudden, forget his past heritage, his line of thinking, his mode of approach to every problem and his budgetary proposals.

An hon. Member: He is a farmer.

Shri N. Sreekantan Nair: He is a lawyer. Don't talk of the things which you do not know.

At least on 14 counts in his budgetary measures, his proposals are against the interest of the common man of this country. They are in favour of the vested interests. They are in favour of the monopolistic capitalists and most of all they are in favour of the planters who were his patrons. I may go into them, one by one, those which, I think, go against the interest of the common people of this country.

He has imposed the duty on sugar. That is the first thing. Not only he has increased the duty on cigars which he uses and on cigarettes which I use, but he has again increased the duty on raw tobacco. That affects even the unfortunate poor people in this country who use a *bidi* when the stomach is empty. He has increased duty on cotton cloth and oil.

The abolition of the Expenditure Tax is a basically wrong step as is admitted at p. 4 of Part B of the Budget Speech. Then who do it? It is because he wanted to placate some interests. As to who are they, we do not know. They may be international magnates, and the financial magnates of this country.

Shri C. K. Bhattacharyya: Perhaps, Shri Sreekantan Nair.

Shri N. Sreekantan Nair: By reducing the rates on Gifts Tax, by abolishing Income-tax on Bonus Shares, by discontinuing the 12.5 per cent tax on Bonus Issues of Domestic companies and by abolishing the 7.5 per cent Dividend Tax upto 10 per cent of the Equity Capital, by the reduction of the Rate of Surtax from 40 per cent to 30 per cent, the Finance Minister has proved that he is an agent of the vested interests. As a friend of the industrialists, he has extended the list of Priority Industries for the purpose of receiving Development Rebate to the manufacturers of tea—again, tea comes in for favours later on—along with newsprint and printing machinery.

Then, the Finance Minister has increased the rate of Development Allowance for new planting from 40 per cent to 50 per cent and that for re-planting from 20 per cent to 30 per

[Shri N. Sreekantan Nair]

cent. He has also conferred on the Planters the additional concession of receiving the allowance in two stages, the first being immediately after preparing the land for planting operations. This proves how he knows the demands of the industry and the demands of the industrialists. And cleverly he has served his purpose. Then there is full depreciation in one year for all small units, of plant and machinery costing upto Rs. 750, so that every industry can split up its requirements into hundreds of units every year. Then 20% depreciation on the housing for higher income employees. Then parity of treatment to foreign companies in the matter of allowing development rebate for merger of subsidiaries. Then the percentage of total income to be deducted from the computation of profit of corporations. There are, in all, 14 cases. I do not want to point out all those since there is no time, except stress upon the undue concessions given to ship-building industry.

Last but not least in raising from 2% to 3% not only of inter-state sales tax but also of the sales tax on goods which are considered to be of great importance in the inter-state business; these two duties cut at the root of the present price structure and naturally increase the cost of every article that will come into the market. Life has become unbearable. That is why we find that people are discontented all over this country; not only because there is shortage of food but also because there is unequal development in various centres as has been pointed out by my friend from Madhya Pradesh. Regarding Kerala, for example, it is so rich in water resources that no other State can compete for cheap hydel power with Kerala. But it is short of power; it is short of Railways; we have only 3.5 miles per lakh of population as against the all India average of 9.5 miles. When we ask for industry, we are told that we have no power or railways. When we ask for railways, we are told that we have no industry. We produce more than Rs. 100 crores of foreign exchange.

Shri Warior (Trichur): It is Rs. 117 crores.

Shri N. Sreekantan Nair: Yes; it is Rs. 117 crores. But we are not allowed to import rice for a portion of our foreign earnings nor are we supplied with sufficient rice. You say that there must be national unity. My friend says that there must be national integration. This state of affairs cannot continue. What is going on in Mizo Hills will happen in every other State of India unless and until Government is prepared to be just and fair to various parts of the country irrespective of the pull they have at the Centre, irrespective of the great leaders that they have, irrespective of what they can contribute to elect somebody as Prime Minister.

Mr. Deputy-Speaker: Mr. P. R. Patel.

श्री हुकम चन्द कछवाय : उपाध्यक्ष महोदय, मैं आप का व्यवस्था चाहता हूं । सदन में गणपूर्ति नहीं है ।

उपाध्यक्ष महोदय : घंटी बजाई जा रही है—अब कोरम हो गया है ।

Shri P. R. Patel: Mr. Deputy-Speaker, I congratulate the Finance Minister for presenting this budget. Budget is a subject which is always criticised from all sides and in our country as some people look to Russia and China as their ideals and some people look to . . .

श्री हुकम चन्द कछवाय : उपाध्यक्ष महोदय, सदन में कोरम नहीं है । आप गिन लीजिए । आपने बिना कोरम के कार्यवाही चालू कर दी । बिना कोरम के कार्यवाही कैसे चल सकती है । पांच मिनट हो गए हैं । आप हाउस को एडजर्न कर दीजिये ।

उपाध्यक्ष महोदय : घंटी बजाई जा रही है – अब कोरम हो गया है ।

Shri P. K. Patel: I say that some people in our country are looking to China and Russia as an ideal while some others are looking to Britian and America as their ideal, and so when these people look at this budget, naturally they criticise it.

श्री हुकम चन्द कछवाय : उपाध्यक्ष महोदय, सदन में गणपूर्ति नहीं है । आप गिन लीजिए ।

उपाध्यक्ष महोदय : कोरम है ।

Shri P. K. Patel: So far as our country is concerned, our ideal is mixed economy, and so, we must judge the budget from that viewpoint. We have decided to encourage the private sector as well as the public sector, and also the co-operative sector. So far as this budget is concerned, whoever dislikes the private sector would not like it; whoever does no like the public sector would not also approve of the budget proposals. So, I would submit that we have to judge this budget as it is from this angle namely whether it increases the prosperity of the country. I am not concerned with this idealism or that idealism, but I am concerned with the prosperity of the country; I am concerned with the increase of industries in the country and also the increase in agricultural production.

We have accepted that our goal is democracy and socialism. As I understand it, socialism means the removal of poverty. In this connection, I would like to plead the case of the 350 million people living in the rural areas of our country. In the rural areas of our country, about 10 million people have *per capita* income of 27 paise a day; some 50 million people have a *per capita* income of 32 paise a day.

17.29 hrs.

[SHRI P. VENKATASUBBAIAH *in the Chair*]

Some 100 million people have a *per capita* income of 47 paise a day; on the whole, the *per capita* income in the rural side for about 354 million people is 68 paise a day. I would like to ask what we have done for these people what have we done to remove their poverty, in fact, not merely to remove their poverty, but to enable them to have a good living standard?

So far as industries are concerned, what is the position? Take the case of the cement industry, We say that there should be capital formation so that there may be improvement of industries. So far as iron and steel production is concerned, we say that there should be capital formation so that the industry may be improved. Money may be spent for improvement or advancement of industry. So also is the case with fertiliser factories. So far we have accepted the principle that there should be capital formation for the advancement or improvement of industries. But so far as the agricultural industry is concerned, we have not accepted that principal. We try to give the least price for agricultural produce. That is the policy.

What is given in the Budget? We have increased the excise duty on light diesel oil by Rs. 60 a kilolitre; it comes to about Rs. 30 per barrel. A farmer buying diesel oil at Rs. 65 has to pay Rs. 30 more per barrel. Is this the way of helping agriculturists and encouraging more production?

At the states level also, people in the income bracket I have mentioned are charged an education cess. In all the States, there is an education cess on the land revenue. Farmers are paying it. Recently the Gujarat Government have increased the local fund cess. It was 20P; they have increased it to 50P. The Rajasthan Government also, according to their Budget presented yesterday, have levied some surcharge on irrigation charges.

[Shri P. R. Patel]

When the low-income agriculturists of our counry are subjected to these taxes—whether they be education cess, local cess or surcharge on irrigation rates—is it not rather increasing the poverty of the already impoverished people? What is there in this Budget to enthuse them? On the one hand, we say that agriculture is the base of our industry, that agriculture is the base of our prosperity, India lives in villages and so on. But on the other, so far as the village people are concerned, we somehow extract more from them. The unfortunate thing is that even people living in urban areas are for leving higher taxes on the agriculturists, the rural people. They plead that they are the only people who have become rich and the others have gone very poor.

So my humble submission is that this increase in excise duty on light diesel should be abolished as it would be a tax on the poor people, or at least light diesel oil used for agricultural and irrigation purposes should be exempted from this levy.

Then I would refer to the Narmada project. My hon. friend from Madhya Pradesh was complaining that Madhya Pradesh is not looked after. I am not complaining that way. I am only submitting that rivers are God-given, they should be utilised for the prosperity of the country, but unfortunately in our country States are quarrelling over river waters. Maharashtra and Mysore are quarrelling; also very recently Madhya Pradesh has also raised a hue and cry. I would submit that for freedom and integrity of the country, we can let go one industry here or there, but we cannot let go the integrity and the freedom of the country. The States are raising it to the extent of denying the jurisdiction of the Centre. If the States grow strong and the Centre becomes weak, cannot check them, then there will be disintegration in the country. The States must know their limitations, and the Centre should be in a position to ask the States to utilise the river waters or any other minerals for the prosperity of the country. In Gujarat we have got gas, we have got oil. It is not a monopoly of Gujarat only to use this gas or oil for itself. It is for the country. The country should be rich by what is found in Gujarat. At the same time, justice should be done also to a State that is loyal.

Shri N. Sreekantan Nair: Loyal to whom?

Shri P. R. Patel: Loyal to the country. If by the sacrifice of Gujarat the country gains something, I will be very happy. But my feeling is that unnecessarily irritations are created. Very recently in the Gujarat Legislative Assembly these matters were discussed and some irritation was shown. The reason is this. Let us take coal. It has got energy creating capacity. So, it is used wherever it is found, and that is cheaper. Similarly, gas is found in Gujarat. Why should it not be given to Gujarat industries for becoming prosperous by the utilisation of this gas. But that is burnt and that is not allowed to be used. I do not say that it should be given at a low rate. At least gas in Gujarat can be used for industries but in burnt and not used to increase the prosperity of the country?

In the end, I would say a word about education. We are spending a lot on education, we must spend, but let us pause and think whether we should spend the money on arts and commerce colleges or on technical and scientific education. Where money would be better spent? The University Grants Commission is liberal in giving grants to all types of education in universities, but, because we are short of money, we have to borrow funds from outside, and so our money would be best used if spent on scientific and technical education.

श्री विश्वनाथ राय (देवरिया): सभापति महोदय, तीन योजनायें समाप्त हो चुकी

हैं और चौथी योजना आरम्भ होने वाली है । बजट पर बहस के समय देश में इस सदन द्वारा स्वीकृत मौलिक आर्थिक नीति को कार्यान्वित करने के सम्बन्ध में कोई विशेष संकेत अब नहीं दिखाई देते हैं तो हमारा निराश होना स्वाभाविक है । यह बात आरम्भ में इस वास्ते कहनी पड़ती है कि पंद्रह वर्ष योजनाओं को पूरा करने के बाद भी, तीन योजनाओं को पूरा करने केबाद भी आर्थिक कठिनाइयां जिस किसी कारण से भी रही हों, प्राकृतिक आपदाओं के कारण रही हों या हमारी कार्य-क्षमता में कुछ कमी के कारण रही हों, आज भी हैं हमें यह मानना पड़ता है कि राष्ट्रीय आय बढ़ाने के जो आंकड़े हमने अपने सामने रखे थे, जितनी तरक्की होगी, यह हम ने सोचा था, विशेषज्ञों ने इसके बारे में जो कुछ सोचा था और घोषणा की थी कि इतनी आय बढ़ेगी, वह उतनी नहीं बढ़ी है। विशेषत: ग्रामीण जनता पक्की आय में तो अगर कुछ वृद्धि हुई है तो नगण्य ही हुई है, बहुत असन्तोषजनक वृद्धि हुई है इस कारण से वहां असन्तोष है । भारत में जिस वर्ग से राष्ट्रीय आय में पचास प्रतिशत से भी अधिक हम को आय होती है और जिस में भारत की सत्तर प्रतिशत आबादी सीधे तरीके से और दस प्रतिशत उस से सम्बन्धित कार्यों में लगी हुई है, और जिसकी आय का साधन कृषि है, और राष्ट्रीय आय में भी सब से ज्यादा योगदान कृषि का ही है, उन कृषकों की आय में तो बहुत ही कम वृद्धि हुई है, नगण्य ही उनको लाभ हुआ है । राष्ट्रीय आय को जब हम मोटे तौर पर लेते हैं और सारी जनता के आधार पर इसको आंका जाता है तब इस में उन लोगों की आय को भी सम्मिलित किया जाता है जिन का प्रतिशत तो बहुत कम है लेकिन जिनकी आय बहुत अधिक होती है । लगभग सौ धनी मानी परिवार हैं और उनकी करोड़ों की आय को भी इस में सम्मिलित किया जाता है और तब एवरेज निकाला जाता है । जो एवरेज निकलता है उस से कहीं कम प्रति-व्यक्ति आय होती है । अब जब कि चौथी योजना आरम्भ होने वाली है और बजट पर बहस हो रही है तब मैं वित्त मंत्री का ध्यान इस बात की ओर आकर्षित करना चाहता हूं कि जो अस्सी प्रतिशत जनता देश की है और राष्ट्रीय आय में आधे से ज्यादा आय जिस के द्वारा होती है उसकी वार्षिक आय क्या है, इस को वह देखलें और उसकी आय बढ़ाने का प्रयत्न करें। यदि उन्होंने ऐसा किया और कोई समुचित प्रबन्ध इस 80 प्रतिशत के लिये किया तो बजट में उस के लिए धन राशि निर्धारित करने का इनको एक अच्छा अवसर मिल जाएगा ।

एक बात की ओर मैं आपका विशेष ध्यान दिलाना चाहता हूं । अभी हाल में कुछ हफ्ते पहले या कुछ महीने पहल यह चर्चा का विषय बना था कि अमरीका की सरकार हमारे साथ एक समझौता करना चाहती है और फर्टिलाइजर या खाद इस वास्ते देना चाहती है कि हमारा कृषि उत्पादन बढ़ सके । यह बात समाचार पत्रों में भी प्रकाशित हुई थी । फर्टिलाइजर या खाद की बात करके कृषि उत्पादन बढा कर अस्सी प्रतिशत जनता की आय में वृद्धि करने के लिये आप भी विशेष उत्साहित जान पड़ते हैं । इस सम्बन्ध में मैं एक चेतावनी देना चाहता हूं । एक या दो प्रदेश हैं जहां सिंचाई के साधन अच्छे हैं, जहां पर छोटे मोटे किसान अच्छी हालत में हैं और वे कुछ साधन भी लगा सकते हैं । वहां के लिये जो प्रथम महत्व है वह खाद का हो सकता है । लेकिन देश के जो अन्य प्रदेश हैं जहां पर सिंचाई के साधन अभी उन्नत नहीं हुए हैं वहां पर तो सिंचाई को हमें प्रमुखता देनी ह, खाद के मामले से अधिक प्रमुखता सिंचाई को देनी श्रेयस्कर होगी । मैं खाद मंत्री की बात नहीं कहता हूं , सारी सरकार की बात कहता हूं चूंकि समझौता सरकार द्वारा हुआ है । अगर हम ने प्रमुखता सिंचाई को नहीं दी तथा खाद देने पर ही हम ने जोर

[श्री विश्वनाथ राय]

दिया और अगर फिर कहीं उस तरह का सूखा पड़ा जिस तरह का इस साल पड़ा है तो खाद वगैरह से कोई लाभ नहीं होगा और देश फिर उसी संकट में पड़ जाएगा जिस संकट में वह आज है और जिस के कारण हमारे देश को दूसरे देशों का मुहताज होना पड़ रहा है ऐसी दशा में उस समझौते को जिस से न केवल खाद की कमी को दूर करने की बात है बल्कि जिससे हमारे यहां पब्लिक सैक्टर में, सार्वजनिक क्षेत्र में पैदा होने वाली खाद के उत्पादन क दाम नियंत्रित करने का भी अधिकार दूसरों को दिया जाएगा और साथ साथ वितरण के जो साधन हैं वे भी उनके हाथ में दिये जायेंगे, राष्ट्रीयहित के बदले अहित की बात समझता हूं यह ऐसी बात हो रही है कि जैसे ईस्ट इंडिया कम्पनी ने जब वह शुरू शुरू में हिन्दुस्तान में आई थी, की थी। धीरे धीरे उस ने आगे बढ़ कर सारे भारतवर्ष पर अपना आधिपत्य जमा लिया था। उस के बाद जो विदेशी तेल कम्पनियां थी इस देश में आई और पिछले पचास सालों में अपना आधिपत्य देश में जमाया। उस को मिटाने में आज भी हम सफल नहीं हो रहे हैं। उसी तरह का आधिपत्य सम्भव है कि ये खाद कम्पनियां भी जमा लें। सम्भव है कि खाद के समझौते के बाद ऐसी स्थिति पैदा हो जाए जैसी हमारी स्थिति तेल कम्पनियों से समझौता करने के बाद पैदा हुई है। बिटिश, अमेरिकन आदि तेल कम्पनियों के साथ सझौता करके जसे हमारी स्थिति बाद में पैदा हुई है, वैसी ही अब भी हो सकती है। इस वास्ते मैं कहना चाहता हूं कि उस समझौते में कुछ न कुछ सुधार होना चाहिये। यह समजौता ऐसा होना चाहिये जो कि देश-हित में हो। जिन से आपको आधी राष्ट्रीय आय प्राप्त होती है, उन के हित की बात होनी चाहिये। आप उनको जो वितरण और मूल्य निर्धारण का भी अधिकार दे रहे हैं वह नहीं दिया जाना चाहिये। यह अधिकार सरकार के पास रहना चाहिये।

सिंचाई की तथा अन्य बातों को छोड़ कर अब मैं थोड़ा सा इस बात पर आता हूं कि इस बजट से किस प्रदेश को क्या लाभ हो सकता है। जब मैं इस बात पर विचार करता हूं, तो मैं यह कहे बिना नहीं रह सकता हूं, ऐसा कहने के लिए विवश हो जाता हूं कि जो सब से बड़ा प्रदेश है और जहां सब से अधिक खेती करने वाले हैं यानी उत्तर प्रदेश और जिस की आज तक उपेक्षा की जाती रही है, उसकी आज भी उपेक्षा हुई है। पहली और दूसरी योजना में उत्तर प्रदेश की उपेक्षा हुई। उसकी आवश्यकताओं की पूर्ति के सम्बन्ध में कोई कदम नहीं उठाये गये। स्वर्गीय प्रधान मंत्री श्री लाल बहादुर शास्त्री जी और भूतपूर्व वित्त मंत्री श्री कृष्णमाचारी जी से भी इस सम्बन्ध में हमारी बातें हुई थी। उनका ध्यान इस ओर आकर्षित करने की कोशिश की गई थी। तब ऐसा जान पड़ता था कि उत्तर प्रदेश की इलैक्ट्रिसिटी, थर्मल प्लांट्स इत्यादि की उन्नति के लिये जो मांग थी, जो पहले पूरी हो जानी चाहिये थी, और जो उचित मांग थी, उसको पूरा करने की वे कोशिश करेंगे। कुछ उनकी तरफ से इस के सम्बन्ध में किया भी गया था। उस से भी अधिक मैं पूर्वी उत्तर प्रदेश के उन चार जिलों का जिक्र करना चाहता हूं जिन के सम्बन्ध में केवल शास्त्रीजी ने ही नहीं बल्कि स्वर्गीय प्रधान मंत्री जवाहरलाल नेहरू जी ने भी यह स्वीकार किया था कि उसको उन्नति के लिए कुछ विशेष करने की आवश्यता है। इस बात को जब हमारी तीसरी योजना शुरू हो रही थी उस समय स्वीकार किया था। वहां पर कुछ काम शुरु भी हुआ था। लेकिन पिछले साल सरकार ने एलान किया कि उनको जो अनुदान दिया जाता है, उसको हम बन्द करते हैं। कुछ बातें और भी हैं केन्द्रीय सरकार ने उत्तर प्रदेश के उत्तराखंड के सम्बन्ध में कहा था कि उस क्षेत्र का विकास रक्षा की दृष्टि से बहुत आवश्यक है और

उत्तर प्रदेश की सरकार उसके विकास की ओर विशेष ध्यान दे। केन्द्रीय सरकार ने उसके लिए अनुदान देने की बात भी स्वीकार की थी। उस अनुदान को अब सरकार बन्द कर रही है। मैं चाहता हूं कि वित्त मंत्री इस ओर विशेष ध्यान दें। केन्द्रीय सरकार की जो जिम्मेदारियां हैं उन जिम्मेदारियों को उसे निभाना चाहिये। उस प्रदेश की जो उचित मांगें हैं, उनको उसे स्वीकार करना चाहिए। केन्द्रीय सरकार ने योजना के पहले दस वर्षों में इसकी उपेक्षा की है। अब उसकी और उपेक्षा नहीं होनी चाहिये। उसको दूर करके अन्य प्रदेशों के बराबर उस प्रदेश को लाना चाहिए। भारत सरकार को उस प्रदेश का आय बढ़ाने का विशेष प्रयास करना चाहिए और विशेष अनुदान देना चाहिए।

Mr. Chairman: Shri Vasudevan Nair.

Shri Vasudevan Nair (Ambalapuzha): Are you taking up the half-an-hour discussion?

Mr. Chairman: No; I will take up that after 6 O'clock. I am calling him to speak on the budget.

Shri Vasudevan Nair: No, Sir; I am not speaking on the budget now.

Mr. Chairman: All right; Shri D. N. Tiwary.

Shri D. N. Tiwary: Sir, before I begin my speech on the budget, I would request you to place yourself in the place of a Speaker, and then ring the bell.

सब से पहले मैं वित्त मंत्री को जो कुछ थोड़ी सी छूट उन्होंने दी है, उसके लिए बधाई देता हूं। लेकिन मैं यह कहना चाहता हूं कि बजट बनाते समय एक परिपाटी निभाई जानी चाहिए। यह देखा जाना चाहिए कि प्रान्तों के बजटों में कितना कर लगा है और कितना कर यहां से गरीबों पर और लादा गया है। दोनों में सामन्जस्य होना चाहिए। आज वह नहीं होता है। दोनों मिलकर कितनी राशि गरीबों से वसूल करेंगे, इसको बिना देखे जब बजट तैयार किया जाता है तो गरीब आदमी की पीठ टूट जाती है। थोड़ी बहुत छूट किसी मद में अगर दी भी जाती है तो उसका उस पर कोई विशेष असर नहीं पड़ता है।

अभी रेलवे बजट और जनरल बजट दोनों को मिला कर जो भार गरीबों पर लादा गया है उसको आपको देखना चाहिए इस बजट में चीनी पर टैक्स बढ़ाया गया है और रेलवे बजट में नमक पर ज्यादा भाड़ा लगाया गया है . . .

डा० मा० श्री० अणे (नागपुर) : वह तो घट जाएगा।

श्री द्वा० ना० तिवारी : थोड़ा बहुत इधर उधर टिकरिंग कर देंगे। इस बजट में चीनी और खण्डसारी पर भी कर लगाया गया है जो पहले नहीं था। जो गरीबों के इस्तेमाल की चीजें हैं उन पर भी कर का बोझ लाद कर उन को असह्य बना देना उचित नहीं जान पड़ता। जब प्लैनिंग कमिशन के द्वारा और भारत सरकार के द्वारा प्रान्तों से कहा जाता है कि वे नये नये रिसोर्सेज खोजें तब उन को मैचिंग ग्रान्ट मिल सकती है तो मैचिंग ग्रान्ट लेने के लिए उन में एक होड़ लगती है कि कितना टैक्स वह लगायें। इस लिये मैं कह रहा था कि बजट बनाते वक्त यह भी देखना चाहिए कि प्रान्त में क्या कर लग रहे हैं क्योंकि प्रान्त के बजट सेंट्रल बजट से पहले पेश हो जाते हैं और यह मालूम हो जाता है कि कितने अधिक कर प्रान्तों पर लगाये गये। यहां जो कर लगता है उस से लोगों को कितनी तकलीफ होती है शायद इसका कोई लेखा जोखा

[श्री द्वा० ना० तिवारी]

नहीं रक्खा जाता । वह उचित नहीं है ।

दूसरी बात जो मैं कहना चाहता हूं वह यह है कि वित्त मंत्री इस एलेवशन इअर में हम लोगों के लिए गरीबों पर और भार लाद कर डिफिकल्टीज पैदा कर रहे हैं या उन को बढ़ा रहे हैं । पार्टी प्वांट आफ व्यू से भी जरूरी था कि इतने कर न लगते । गत वर्ष भी मैंने कहा था कि किरोसिन पर जो टैक्स लगाया गया वह नाजायज हुआ, उस को अगले वर्ष कम किया जाना चाहिए । उस में कमी न कर के डंजल आयल पर, जो कि गृहस्थों के काम में आता है, टैक्स लगा दिया गया । रोज बरोज यहां कहा जाता है कि अन्न अधिक पैदा करो लेकिन इस तरह उस में बाधा डाली जाती है । डंजल आयल पर कर लगाया गया, एलेक्ट्रिसिटी का रेट बढ़ा दिया गया । गरीब आखिर कहां से पैसा लायें कि कृषि में लगा कर उत्पादन कर सकें । इन सब बातों पर सोच विचार करके ही कोई काम करना उचित होता । लेकिन आज भी हम देखते हैं कि इन बातों का कोई कंसिडरेशन नहीं है ।

तीसरी बात जो मैं कहना चाहता हूं, और जिस पर मैं ज्यादा जोर देना चाहता हूं, वह यह है कि स्वतन्त्र होने के अट्ठारह वर्ष बाद, तीन पंच वर्षीय योजनाओं के समाप्त होने तक, कोई ऐसा स्टेप नहीं लिया गया कि जहां जहां पर बैकवर्ड एरियाज हैं, जहां पर लोगों की आमदनी बहुत न्यून है, उन जगहों को कैसे उठाया जाये । बजट के साथ में जो आर्थिक समीक्षा पेश हुई उस को मैंने बड़े ध्यान से पढ़ा, वित्त मंत्री के भाषण को भी बहुत ध्यान से पढ़ा, लेकिन उन में कहीं पर एक लाइ भी नहीं है कि जो बैकवर्ड एरियाज हैं, पिछड़े हुए व गंदी, जाति नहीं, जो एरियाज हैं, जिनकी आमदनी 5 या 6 रु० महावार से अधिक नहीं है, जहां पर लाखों आदमी ऐसे हैं जिन की 2 पैसे तक आमदनी है, उनका पिछड़ापन कैसे मिटेगा । उन के बारे में सहानुभूतिपूर्वक भी कोई सेन्टेन्स न तो वित्त मंत्री के भाषण में है और न एकानमिक रिव्यु में है । हाल ही में प्रकाशित एकानमिक सर्वे रिपोर्ट को मंत्री जी ने देखा भी है या नहीं मुझे नहीं मालूम । लेकिन जो उन के मिनिस्टर आफ स्टेट हैं उन से मेरी बातें हुई, उन से मैंने इस्तदुआ की कि वह उस सर्वे रिपोर्ट की किताब मुझे दें, लेकिन नहीं मिली ।

श्री बा० रा० भगत : वह प्लैनिंग कमिशन में है, मांग रक्खी है ।

श्री द्वा० ना० तिवारी : मैंने योजना मंत्री महोदय से भी रिक्वेस्ट की, प्लैनिंग कमिशन से भी रिक्वेस्ट की कि कम से कम वह कापी तो मुझे दे दी जाये जो तुलनात्मक अध्ययन हुआ है अलग अलग राज्यों के हर जिले की आर्थिक बातों का । वह हमारे वित्त मंत्री के ध्यान में आया या नहीं मैं नहीं जानता, लेकिन उसे देखने से मालूम होता है कि कुछ एरियाज ऐसे हैं जहां पर **पर कैपिटा** आमदनी 80 रु० और 85 रु० तक है जब कि सारे देश की **पर कैपिटा** आमदनी करीब 400 रुपये तक है । बिहार की **पर कैपिटा** आमदनी 220 रु० है लेकिन नार्दर्न बिहार जो एक बड़ा चंक है जिस की पापुलेशन करीब 2 करोड़ है, जो कि केरल से बड़ा है, गुजरात से बड़ा है, दूसरी बहुत सी स्टेट्स से ज्यादा है, लेकिन वहां की आमदनी करीब 90 या 92 रुपये है **पर कैपिटा** पर इअर । उस में भी दो जिले ऐसे हैं दरभंगा और सारन जिन की आमदनी **पर कैपिटा** पर इअर 80 या 82 रुपये है । शायद आपको याद होगा कि इस हाउस में जिस समय डा० लोहिया ने यह कहा था हमारे प्रिय प्रधान मंत्री श्री जवाहरलाल नेहरू के जीवन काल में कि लोगों की आमदनी

साढ़े तीन आने रोज है तो उस का कंट्रेडिक्शन हुआ, बहुत चेलेन्ज हुआ, बहुत हो हल्ला हुआ। लेकिन इस रिपोर्ट को देखने से मालूम होता है कि तीन और चार आने से भी कम लोगों की रोजाना आमदनी यहां पर है। और ऐसे लोगों का बहुत बड़ा चेक है। 2 करोड़ लोगों की आमदनी जो कि हिन्दुस्तान की पापुलेशन का करीब बीसवां या बाईसवां भाग होता है तीन या चार आने रोज है। आप स्वयं समझ सकते हैं कि इन तीन चार आने की आमदनी वाले लोगों में महाराज दरभंगा भी हैं और बड़े बड़े बिजिनेसमैन भी हैं। इस तरह से 20 या 25 परसेन्ट ऐसे लोग हैं जिन की आमदनी दो ढाई आने से अधिक नहीं होगी। आप समझ सकते होंगे कि इस मंहगाई के जमाने में वह गरीब लोग क्या खाते होंगे। इस तरह अगर जरा सहानुभूतिपूर्वक विचार होता और बजट में एक लाइन भी होती कि उन का कुछ कंसिडरेशन होगा, तो मैं समझ सकता कि गरीबों पर वित्त मंत्री का ध्यान गया। मैं उन की स्पीच को और एकानमिक सर्वे को पढ़ कर देखता हूं कि कहीं कुछ भी नहीं है तो मैं क्या समझूं।

दो करोड़ आदमी नार्थ बिहार के हैं जिन के लिये न कोई इंडस्ट्री है और न खेतों के उत्पादन में वृद्धि के लिये कोई जरिया कायम किया गया है जिस से उत्पादन में वृद्धि हो सके। वहां के लोगों को क्या मालूम कि स्वराज्य हुआ या नहीं। वह गरीब लोग पेड़ के पत्ते तक खा कर जीते हैं। अगर आप उधर जायें तो वहां पर देखेंगे कि लोग खाना खाने के बाद जब वह पत्तलों को फेंकते हैं तो गरीब लोगों के लड़के उन पर खाने के लिये झपटते हैं। उन में कोई चावल नहीं रहता, पूरी नहीं रहती, केवल तरकारी के टुकड़े होते हैं। लेकिन जिस तरह से कुत्ते झपटते हैं उस खाने पर उसी तरह से लड़के भी झपटते हैं। ऐसी स्थिति वहां पर है। लेकिन अभी तक भारत सरकार ने उस ओर कोई ध्यान नहीं दिया।

दो तीन वर्ष पहले इसी हाउस में यू० पी० के एक सदस्य ने पूर्वी यू० पी० के एक हिस्से की तरफ ध्यान खींचा था। एक कमेटी बिठलाई गई थी। एन्क्वायरी हुई, लेकिन उस एन्क्वायरी की रिपोर्ट कभी लाइट में नहीं आई।

एक माननीय सदस्य : काम हो रहा है।

श्री हा० ना० तिवारी : मुझे नहीं मालूम क्या काम हो रहा है। हमारे बगल में बलिया जिला है, मैं जानता हूं कि वहां पर कोई काम नहीं हो रहा है।

श्री हुकम चन्द कछवाय : सरकार कुछ कर ही नहीं सकती, वह करे क्या।

श्री हा० ना० तिवारी : एक ऐसा बड़ा चेक यह नहीं है कि दस बीस घर हों, यह नहीं कि दो, चार, दस गांव हों, जिले के जिले हैं जहां यह हालत है। आज दरभंगा की पापुलेशन को देखिये, छपरा की पापुलेशन को देखिये जिन की पापुलेशन 77 लाख है। आज 77 लाख की एक स्टेट बनती है। अभी हरियाना प्रान्त बनेगा तो उस की पापुलेशन हमारे एक जिले के बराबर होगी।

श्री ब० रा० भगत : दो जिलों के बराबर।

श्री हा० ना० तिवारी : हमारे दो जिले मिल कर 75 लाख से ज्यादा हो जाते हैं। मैं सिर्फ दो जिलों की बात कह रहा हूं, सारे नार्थ बिहार की बात नहीं कहता। उन की लगभग 80 लाख पापुलेशन है, उनके बारे में आप ने 18 वर्षों में क्या किया।

श्री त्यागी : आप की स्टेट ने कोई तजवीज इस के लिये रखी।

18 hrs.

श्री हा० ना० तिवारी : बहुत सी तजवीजें आई। मैं कहता हूं कि वित्त मंत्री का ध्यान

[श्री द्वा० ना० तिवारी]

इस ओर जाना चाहिये । जब उन के प्रिडेसेसर थे तब भी मैंने इस सवाल को रखा था और उन्होंने आश्वासन दिया था कि वह कुछ करेंगे । लेकिन अब उस आश्वासन का क्या होगा, यह मैं नहीं जानता । मैंने एक दो जिले की बात आपको बतायी या सारे बिहार की बात बतायी । पूरे बिहार की हालत आप लीजिए । इंडस्ट्रीज बहुत हैं । नेचुरल रिसोर्सेज भी बहुत हैं और खूबी यह है कि वहां के लोग भूखे मरते हैं । वहां की पर कैपिटा इनकम परहैप्स लोएस्ट है । सारे बिहार को मैं लेता हूं और जो इंडस्ट्रीज हैं वह या तो गवर्नमेंट आफ इंडिया की हैं या बाहर के लोगों की हैं । वे एक्सप्लायट करते हैं, धन ले जाते हैं । लेकिन वहां के लोगों की क्या तरक्की होगी इस पर कोई ध्यान नहीं दिया जाता । मैं पैरोकिअल होना नहीं चाहता कि बिहार में बिहारी ही रहें । मैं ऐसा नहीं समझता हूं । मैं समझता हूं कि सारा देश एक है और बिहार में भी दूसरे स्टेट्स के लोगों का हक है, दूसरे स्टेट्स के लोग वहां आयें, खायें, पीयें, रहें लेकिन यह मैं कभी बर्दाश्त नहीं कर सकता कि बाहर के लोग तो आयें, खायें पीयें और मौज उड़ायें और वहां के लोग फांका किया करें । यह नहीं हो सकता । मैं आपको बताता हूं कि सेंट्रल अंडरटेकिंग्स बिहार में चार पांच हैं । लेकिन एक में भी जनरल मैनेजर बिहार का आदमी नहीं है । एक भी तो होता ? कुछ भी आप हमको तरजीह देते । एक भी परसोनेल मैनेजर नहीं है । इसे मैं क्या समझूं ?

Mr. Chairman: He may continue his speech tomorrow.

18.02 hrs.

RESIGNATION* OF SHRI A. P. JAIN EX-GOVERNOR OF KERALA

Shri Vasudevan Nair (Ambalapuzha): **Mr. Chairman, Sir, I wanted to raise this half-an-hour discussion on starred question No. 60 because a very important question of principle is involved in the entire issue of resignation of ex-Governor, Shri A. P. Jain and the circumstances that led to that resignation. There was a question which was the last in the list for that day by my hon. friend, Shri Bhagwat Jha Azad and a few others. For the benefit of hon. Members, I think it is necessary for me to read out the question and the answer. The question reads as follows:**

> **"Will the Minister of Home Affairs be pleased to state:**
>
> **(a) whether it is a fact that the former Governor of Kerala, Shri A. P. Jain, took an active part in a Congress party election while he held that high office;**
>
> **(b) whether the said action on his part was in consonance with the code of conduct prescribed for a Governor; and**
>
> **(c) if not, the action taken in the matter?"**

The answer was given by Shri Gulzarilal Nanda and it reads:

> **"(a), (b) and (c). In his letter dated 17th January 1966, addressed to the President, Shri Ajit Prasad Jain stated that while he was on a visit to Delhi he had advised his friends, who sought his guidance, in connection with the recent election of the leader of the Congress Parliamentary Party. Since he felt that this might not be in accord with the proprieties attached to the high office of Governor he tendered his resignation. He was informed in reply by the President on the 21st January 1966, that arrangements were being made to relieve him of his office. But until this was done he should continue in office as Governor of Kerala."**

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*Half-an-hour Discussion.

Now, my first charge against the Home Ministry and the Government is that by giving such an answer they thought that they can fool this Parliament, because they have refused to answer the question that was asked in this House, specially part (b) of the question, namely—

> "whether the said action on his part was in consonance with the code of conduct prescribed for a Governor".

We wanted a very straight answer from the Government, whether they consider that the ex-Governor of Kerala, Shri A. P. Jain, violated the code of conduct for a governor. There was no answer to this question. I do not think it is at all necessary for me to argue elaborately to establish that he violated the code of conduct. He himself has written to the President that he was canvassing for Shrimati Indira Gandhi. As to what kind of canvassing he did, it is not for us to go into that just now. He wrote the letter on the 17th, the election was on the 19th and the President replied to him only on the 21st. So, at least upto 21st, he was the Governor of Kerala. Even after 21st, he continued upto the 6th Februrary as, perhaps, the care-taker Governor. Throughout this period upto the 6th of February, Shri A. P. Jain was the Governor of Kerala and he himself admitted before the whole world that he participated in a partisan election of his own Party. Then, what is the difficulty for the Government to come forward and admit that a person holding a very high office did something very wrong? At least, they should censure him. We want to know what the President communicated to him in reply on the 21st.

Now, apart from the question of canvassing for the Congress Party leadership election, it has come to light that even after accepting the high office of Governorship of Kerala, Shri A. P. Jain was continuing to be a Member of the A.I.C.C. I come to understand that he wanted to fly away from Kerala on the 6th itself, he insisted on his leaving Kerala because he wanted to attend the Jaipur session of the A.I.C.C. I want to know whether it is a fact that he was holding that position in the A.I.C.C. throughout the period of his Governorship and, if so, was it right for him to hold that office?

Now, there is a third thing—I do not know whether it is as serious as the other two—that he was holding the Chairmanship of a Committee in the Planning Commission. All the paraphernalia connected with that were under him even when he was the Governor of Kerala. Maybe, they may say that it is not an office of profit and he was not taking anything from the Planning Commission. But he was continuing as the Chairman of a Committee in the Planning Commission.

Besides all that, Mr. Jain is a big shot in the ruling Party and if he commits a mistake, if he violates the Constitution, even he can get away scot-free. That is what this Government is really helping people to do. I am told that a Governor has to take a permission, if not a permission, or he has at least to intimate the President before he leaves his station. I am told—I stand corrected if I am contradicted—that on two occasions Mr. Jain did not care to inform even the Rashtrapati Bhavan before leaving Trivandrum, before leaving Kerala State, and I even understand that he was pulled up for that in a Governors' Conference. Of course—it is for the Minister to know—these things, according to them, are secrets. But the point is that on the State of Kerala a very important leader of the ruling Party, the practising leader, was foisted perhaps under the hope that he will do wonderful things there. Why this particular leader and such other leaders are foisted on States like this? His heart, his mind, his eyes, his ears, everything, are in Delhi and

[Shri Vasudevan Nair]

U.P. Only physically he was in Kerala but all along, all these months, he was looking to U.P.—when there is no Chief Ministership, perhaps a Governorship is good. Should we foist such people, very active politicians who have not decided to retire from active politics, who are looking forward to Cabinet Ministership, who are looking forward to Chief Ministership, who are very active in party confabulations and vote catching and all that on these assignments? And, above all, they misbehave and they even violate the provisions of the Constitution—all conventions are thrown to the winds. Here is the Government, the Home Minister who is coming to the rescue of such people. Is it that a prominent leader of the ruling Party can do anything that he likes and he can get away with it? The answer of the Home Minister means only that and nothing else, according to him. The responsibility of the Home Ministry has to be pinned down because the Members of Parliament want to get a direct answer from the Government. We want to know what is the opinion of the Government. Mr. Jain himself thought that it might not be proper to continue after canvassing. That is very clear from the statement that he made and from the letter that he wrote. What did Government think of that? In such a situation what can Government do? The President can be impeached; in the Constitution there is a provision for that. What about the Governor? Of course, another Governor from the same State has come. He is trying to create history again—Mr. Sampurnanand. I am not going into that matter just now.

If Governors are going to behave like this, what is the remedy? I think this is a question of democracy, this is a question of the preservation of the principles of the Constitution and this is a problem concerning healthy traditions in our public life. From all these points of view, we want to get a categorical, direct answer, not an evasive reply, to the question whether the Government considered, whether the Government even now considers, that the ex-Governor of Kerala violated the code of conduct, the spirit of the Constitution and committed impropriety. If they think that he has done all these, then what action Government is going to take? I do not know what we can do now. Of course, the newspaper of our country, the public opinion, rose against this. Newspapers like the Stateman wrote that not only just now, but for the entire life of such people, they should not be given any responsibility; they should be debarred from political life. Is it possible in our country? Is it possible, by common agreement, to do that?

I do not want to go into the misdeeds when he was the Governor of Kerala. He flew to Delhi on the 13th or 12th when the foood situation was acute, most acute, and then he forgot everything about Kerala. He asked the people of Kerala to begin agitation against the Central Government. He exhorted them. He came to Delhi immediately and forgot everything about Kerala; he began to dabble in party squabbles. What can we do with such people?

An hon. Member: Can the hon. member prove that?

Shri Vasudevan Nair: I have already stated that I can substantiate it.

Shri K. C. Sharma (Sardhana): Is there any statement of Mr. Jain?

Shri Vasudevan Nair: Yes; there are so many statements. I do not want to take more time. There are so many friends who want to ask questions.

Shri Maniyangadan (Kottayam): Not even a single statement was issued by Mr. Jain.

Shri Vasudevan Nair: We will produce evidence for that.

I want to conclude by demanding an answer from the Home Minister, especially to Parts (b) and (c) of the question.

Shri Warior (Trichur): I wish to know whether the Kerala Sadachar Samiti had received any allegations against the conduct of Mr. Jain while he was Governor and that the Sadachar Samiti forwarded that letter to the Home Ministry and that was the real reason behind the resignation of Mr. Jain and the reason of his dabbling in politics was only an apparent reason.

Shri H. N. Mukerjee (Calcutta Central): On his own admission, Shri Jain, while functioning as Governor, continued to be a member of the AICC. Our papers like *The Statesman* have written stinking editorials....

The Minister of State in the Ministry of Home Affairs and Minister of Defence Supplies in the Ministry of Defence (Shri Hathi): Does the hon. member say that, on his own admission, he was a member of the AICC.

Shri H. N. Mukerjee: He claimed his right as a continuing member of the AICC. It was reported in the newspapers.

Shri Hathi: Reported in the newspapers.

Shri H. N. Mukerjee: He took a seat in the AICC meeting. Papers like *The Statesman* have written stinking editorials entitled "Impropriety Plus" and Mr. Jain wrote to that paper defending his own position. My question is that, since the alleged impropriety was publicly discussed, what steps did the Home Ministry take in regard to this publicly discussed scandal. The House has a right to know.

श्री हुकम चन्द कछवाय (दौसा) : क्या यह सत्य है कि केरल के भूतपूर्व राज्यपाल श्री अजित प्रसाद जैन राज्यपाल-पद पर रहते हुए भी अखिल भारतीय कांग्रेस कमेटी और उत्तर प्रदेश कांग्रेस कमेटी के बराबर सदस्य बने रहे। यदि यह सत्य है तो राज्यपाल जो दलों से ऊपर होने चाहिए वह परम्परा क्यों नहीं पाली गई ? क्या श्री जैन पर इसके लिए कोई कार्यवाही की गई है कि उन्होंने इन दोनों स्थानों से त्याग-पत्र क्यों नहीं दिया था ?

Shri Maniyangadan: May I know whether the letter that Shri A. P. Jain is reported to have sent to the President on the 17th was a letter of resignation, and whether the reply of the President was to the effect of asking him to continue in office until other arrangements were made?

Shri Hathi: When we received this notice about the half-an-hour discussion, I thought that Shri Vasudevan Nair would raise some questions which would be helpful in considering the whole aspect, but the questions that he had put and some statements that he has made have belied my earlier hopes. He read the question and the answer, and they are clear as they could be.

Article 153 of our Constitution relates to the appointment of Governors. We have also accepted that he shall not be elected as he is in America. This position is very clear that when he becomes a Governor, naturtlly he ceases to be a party member. That is very clear and very definite. This has been followed and laid down as a convention. The Constitution does not prescribe any code of conduct. It is not there in the Constitution. But there are various things which can be established by convention. This convention has been established that a Governor will not be a member of any political party. Similarly, the President or the Vice-President also do not remain members of any political

[Shri Hathi]

party. In Kerala also, the same convention exists, and more so there, because the Governor there is not only a Governor or the Head of the State but he is also the representative of the President or the Central Government. Therefore it is that this convention has to be followed and followed very critically.

I may say that if Shri A. P. Jain wrote a letter to the President saying that when he came here he advised some of his friends about the election to the office of the Prime Minister, that was no electioneering campaign as such; there was no door-to-door canvassing, and no meeting and nothing of that sort. During the conversation he advised some of his friends, and even this is something which Shri Vasudevan Nair did not know, nor did anybody know it. But it was only because Shri A. P. Jain happens to be or used to be a member of that organisation which has topped in observing the code of conduct or the moral code of conduct and the high traditions and the principles to which the members of that organisation stick that he thought that even talking to a friend privately and not in a public meeting, and even a private consultation would be something which he should not have done.

Shri Vasudevan Nair: The Kerala House was the scene of hectic electioneering activity. He himself had said that he had worked for Shrimati Indira Gandhi.

Shri Hathi: This was what Shri A. P. Jain had written:

> "However, being an administrative Governor, I am interested in seeing that an administration is set up which is in the best intersts of the country."

and he says:

> "I would be the last person to violate any proprieties attached to the high office of the Governor, and I am tendering my resignation.".

Now it is from this letter that we should judge Shri A. P. Jain.

Shri Vasudevan Nair: What about his own statements?

Shri Hathi: I will come to everything.

To his letter, the President replied:

> "You have in your letter of 17th January tendered your resignation as Governor of Kerala. I am making arrangements, with regret, to relieve you of this office. Until this is done, I trust you will continue to function as Governor of Kerala".

As hon. Members know, Kerala is under President's rule. The administration has to be carried on by the Governor. The food situation, which we all know, was there, and it would not have been proper to make either the Chief Justice or some one else even for sometime Acting Governor. Therefore, he was asked to carry on.

Then the hon. Member made another statement, which I have never seen or heard before, that he advised the people to start an agitation against the Central Government. I think if this was a fact, Shri Nair should have been happy.

Shri Vasudevan Nair: We were very happy with him till the 28th.

Shri Hathi: He should have been happy, if he had advised the people of Kerala to agitate against the Central Government. Then that would have involved a question of propriety also. But we have never come across any statement of that kind, nor do we know of any such thing. He has not done it.

Shri D. N. Tiwary (Gopalganj) It must have been a private talk.

Shri Vasudevan Nair: Press conference.

Shri Hathi: Shri Nair might have heard from some friends of his that Shri Jain had so advised—that may be so.

Then the question comes of his being a member of the AICC. We have ascertained that he is not a member of the AICC; he was not a member during the tenure of his office. Shri H. N. Mukerjee referred to 'his own admission'. I do not know where he made the admission.

Shri H. N. Mukerjee: In a report of the Jaipure Congress session, it was publicly stated that Shri Jain asserted his right as a continuing member of the AICC to join the deliberations, and he did. It was all in the papers.

श्री हुकम चन्द कछवाय : वह उत्तर प्रदेश कांग्रेस के भी सदस्य थे ।

Shri Hathi: I have ascertained the position. It has been ascertained that Shri Jain was not a member of the AICC during his tenure as Governor of Kerala.

Shri H. N. Mukerjee: Suddenly he became a member at Jaipur?

Shri Hathi: No.

Shri H. N. Mukerjee: The papers have said that.

Shri Tyagi (Dehra Dun): After resignation.

Shri Hathi: The other point mentioned was about his being Chairman of some committee. There was some committee and for sometime I think he continued. But we should also see that in that paraphernalia and all that, he was in charge of Kerala as administrator; the whole administration was under him. But I am not quite sure whether he still continues or continued till that date, to be a member of that Committee, for sometime or so.

Then the question about membership of the UP Congress Committee. Now under their constitution, ex-Presidents of the Congress Committee automatically become members. But he did not take any part in any of the meetings of the UP Congress Committee. But because he was an ex-President once, he continued in his position as a member; but he had not taken any part in it.

श्री हुकम चन्द कछवाय : गवर्नर बनने के बाद वह सदस्य तो थे न ?

Shri Hathi: No.

Shri Tyagi: Suspended *sadasya*.

श्री हुकम चन्द कछवाय : क्या उन्होंने त्याग पत्र दिया था ?

Shri Hathi: If the question of constitutional propriety is sought to be clarified, the position is very clear. We are perfectly clear in our mind that there are no provisions in the Constitution prescribing a code of conduct for the Governor as such. Sound and healthy traditions have to be built up by convention as to how a Governor should regulate his public and private affairs. There is little doubt that a Governor, who is the executive head of a State performing his constitutional functions with the aid and advice of the Council of Ministers....

Shri Vasudevan Nair: In Kerala, it has happened.

Shri Hathi: There is no Council of Ministers in Kerala.

....should not participate in the State politics and should not also make any public utterances out of tune with the policies of the Council of Ministers.

[Shri Hathi]

That also is a healthy convention.

Shri Vasudevan Nair: But I have a statement that he worked for Indira Gandhi.

Shri Hathi: I am talking of a case where there is a Council of Ministers. What you are talking is something different. I have already read out what he has said in his letter. He had only private conversations with some of his friends, but even that private conversation or private discussion he thought was not proper. I would like to know how many of us are of that character that even for a thing done privately and not publicly, we take the blame upon ourselves and give up a very high office of Governor of a State. His resignation from the office of the Governor of the State, a head of a State who has all the administrative powers vested in him today, who wields all the power today as the administrator and representative of the President, on this matter which he did only private and taking all the blame for the impropriety, if any there was, I think should be an example to all of us who are in public life. It is not a matter at all for any action to be taken. If any action should be taken, that action is to appreciate the action or the step taken by the Governor. I do not, therefore, see anything should be done further.

I thought the Member would be satisfied, not only satisfied but more than gratified, at what the Governor had done. I would ask how many Members do not talk things in private which we should not generally talk, how many of us bring out what we have done privately which we would like to hide from the public, and proclaim from the housetops that this is what we have done. Even then, he thought it was an impropriety and therefore he has come forward with his resignation. Is it so small a thing as to say that the Governor has misbehaved? What is the misbehaviour? That only means that during the regime of the Governor they have not found anything whatsover to complain against.

Now, something was mentioned about the Sadachar Samiti. I do not know what the Sadachar Samiti has written. We have not received any complaint on these matters. So long as he was in power, they could not find anything to say and now they take hold of this straw. He himself comes forward writting a letter to the President that he thinks an impropriety has been committed, an impropriety that in his own house, privately, when some friends came and sought his advice, he gave advice for whom they should vote. For this the hon. Member comes forward as if a great impropriety has been committed, that there should be an impeachment of the Governor. This only shows that if they have nothing to beat him with, they can bring anything.

Shri Vasudevan Nair: I never thought that Mr. Hathi was capable of this shameful defence.

Shri Hathi: I did not expect this from a sober Member like Shri Vasudevan Nair. I have moved with him for about six or seven years, I know he is generally sober. (*Interruptions*).

Shri Vasudevan Nair: Please save us from these compliments.

श्री हुकम चन्द कछवाय : क्या आप ने उनके साथ प्राईवेट बात की थी ?

Shri Hathi: I would not disclose that. I have that weakness; I have not the strength of Shri A. P. Jain to say publicly what he talked to me. But we are friends.

Dr. Ranen Sen (Calcutta East): It is a very clever way of disarming Shri Vasudevan Nair.

Shri Hathi: Because there was no arming of anybody, this question of disarming anybody does not arise. I do not think there is any question of disarming rises. I thought that Shri Vasudevan Nair would be raising some very important constitutional questions, as a very senior and sober and intelligent Member that he is. But when I found that he only wanted to raise one point,—an agitation against the Government of India which was started, according to him, by the Governor—that itself takes away all the arguments that he adduced. I have nothing more to say.

Mr. Chairman: The discussion is over.

18.30 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Friday, March 11, 1966/Phalguna 20, 1887, (Saka).

GMGIPND—LSII—2731(Ai)LS—26-5-66—1020